









THE  
UNREPEALED GENERAL ACTS  
OF  
THE GOVERNOR GENERAL IN COUNCIL.

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GOVERNMENT OF INDIA.  
LEGISLATIVE DEPARTMENT.

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THE  
UNREPEALED GENERAL ACTS  
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OF  
:  
THE GOVERNOR GENERAL IN COUNCIL,  
.

WITH

CHRONOLOGICAL TABLE OF ALL UNREPEALED ACTS PASSED BY THE  
GOVERNOR GENERAL IN COUNCIL WITH AN INDEX.

From Act No. VI of 1909 to Act No. VIII of 1913.

VOL. VII.

CALCUTTA  
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1914 .

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## PREFACE.

THIS, the seventh, volume of the General Acts, has been compiled on the same lines as the six preceding volumes, and contains the unrepealed General Acts of the Governor General in Council passed from 27th August, 1909, to 31st December, 1913. An index to the volume is as usual appended.

The Acts have been printed as modified up to 31st March, 1914 ; such of the modifications made by Acts passed in 1914 as could not, without delaying the publication of this volume, be shown *in loco* are printed in the corrigenda.

S. C. BANERJEE,  
*Legal Assistant, Legislative Department,*  
*Government of India.*

SIMLA :  
*The 31st July, 1914.*



## LIST OF ABBREVIATIONS USED.

Aj. Code . . . . .	For Ajmere Code.
Bal. Code . . . . .	„ Baluchistan Code.
Ben. Code . . . . .	„ Bengal Code.
Bom. Code . . . . .	„ Bombay Code.
Bur. Code . . . . .	„ Burma Code.
C. P. Code . . . . .	„ Central Provinces Code.
E. B. and A. Code . . . . .	„ Eastern Bengal and Assam Code.
Mad. Code . . . . .	„ Madras Code.
P. and N. W.-Code . . . . .	„ Punjab and North-West Code.
U. P. Code . . . . .	„ United Provinces Code.
Coll. Stat. . . . .	„ Collection of Statutes relating to India.
Gen. R. and O. . . . .	„ General Statutory Rules and Orders.
Ben. R. and O. . . . .	„ Bengal List of Local Statutory Rules and Orders.
Bom. R. and O. . . . .	„ Bombay List of Local Rules and Orders.
C. P. R. and O. . . . .	„ Central Provinces List of Local Rules and Orders.
E. B. and A. R. and O. . . . .	„ Eastern Bengal and Assam List of Local Rules and Orders.
Mad. R. and O. . . . .	„ Madras List of Local Rules and Orders.
Punj. R. and O. . . . .	„ Punjab List of Local Rules and Orders.
U. P. R. and O. . . . .	„ United Provinces List of Local Rules and Orders.
Bur. R. M. . . . .	„ Burma Rules Manual.
Brit. Enact. N S. (Mad. and My.) . . . . .	„ British Enactments in force in Native States (Southern India, Madras and Mysore) Volume.
„ „ (Hyd.) . . . . .	„ British Enactments in force in Native States (Southern India, Hyderabad) Volume.
„ „ (N. I.) . . . . .	„ British Enactments in force in Native States (Northern India) Volume.
„ „ (W. I.) . . . . .	„ British Enactments in force in Native States (Western India) Volume.
„ „ (C. I.) . . . . .	„ British Enactments in force in Native States (Central India) Volume.
„ „ (Raj.) . . . . .	„ British Enactments in force in Native States (Rajputana) Volume.





# CORRIGENDA.

[Showing amendments made by enactments passed while this Volume was passing through the Press.]

Page.	Act and Section.	Amendment.	Amending Act.
78	XV of 1910, s. 3 (1) .	After the word "place" insert "or places" and after the word "quartered" insert "or which, being in the vicinity of such place or places, are required for the service of the troops."	X of 1914, Sch. I.
307	II of 1913, s. 30 (2) .	After clause (e) insert— <p>"(e) The disposal, by destruction or otherwise, of such records, books and papers belonging to, or being in the custody of, the Official Trustee as the Government may consider useless or unworthy of being permanently preserved."</p>	Ditto.
328	III of 1913, s. 50 (2) .	After clause (f) insert— <p>"(f) The disposal, by destruction or otherwise, of such records, books, and papers belonging to, or being in the custody of, the Administrator General as the Government may consider useless or unworthy of being permanently preserved."</p>	Ditto.
372	VII of 1913 .	After s. 83 insert— <p>" Directors .</p> <p>83A In every company registered after the commencement of this Act shall have at least two directors.</p> <p>(2) This section shall not apply to a private company.</p> <p>83B In default of and subject to any regulations in the Memorandum of Association of articles of a company other than a private company—</p> <p>(a) the members of the memorandum shall be deemed to be the directors of the company until the first directors shall have been appointed;</p>	XI of 1914, s. 2.

Page.	Act and Section.	Amendment.	Amending Act.
372	VII of 1913— <i>contd.</i>	<p>(ii) the directors of the company shall be appointed by the members in general meeting ; and</p> <p>(iii) any casual vacancy occurring among the directors may be filled up by the directors, but the person so appointed shall be subject to retirement at the same time as if he had become a director on the day on which the director in whose place he is appointed was last appointed a director."</p>	XI of 1914, s. 2.
374	Ditto	<p>After section 91 insert —</p> <p>" 91A. (1) Every director who is directly or indirectly concerned or interested in any contract or arrangement entered into by or on behalf of the company shall disclose the nature of his interest at the meeting of the directors at which the contract or arrangement is determined on, if his interest then exists, or in any other case at the first meeting of the directors after the acquisition of his interest or the making of the contract or arrangement:</p> <p>Provided that a general notice that a director is a member of any specified firm or company, and is to be regarded as interested in any subsequent transaction with such firm or company, shall as regards any such transaction be sufficient disclosure within the meaning of this sub-section, and after such general notice, it shall not be necessary to give any special notice relating to any particular transaction with such firm or company.</p> <p>(2) Every director who contravenes the provisions of sub-section (1) shall be liable to a fine not exceeding one thousand rupees.</p> <p>91B. (1) No director shall, as a director, vote on any contract or arrangement in which he is either directly or indirectly concerned or interested ; and if he does so vote, his vote shall not be counted :</p>	<i>Ibid</i> , s. 3.

Page.	Act and Section.	Amendment.	Amending Act.
374	VII of 1913— <i>contd.</i>	<p>Provided that the directors or any of them may vote on any contract of indemnity against any loss which they or any one or more of them may suffer by reason of becoming or being sureties or surety for the company.</p> <p>(2) Every director who contravenes the provisions of sub-section (1) shall be liable to a fine not exceeding one thousand rupees.</p> <p><b>91C. (1)</b> Where a company enters into a contract for the appointment of a manager of the company in which contract any director of the company is directly or indirectly concerned or interested, or varies any such existing contract, the company shall send an abstract of the terms of such contract or variation, as the case may be, together with a memorandum clearly indicating the nature of the interest of the director in such contract, or in such variation, to every member; and the contract shall be open to the inspection of any member at the registered office of the company.</p> <p>(2) If a company makes default in complying with the requirements of sub-section (1), it shall be liable to a fine not exceeding one thousand rupees; and every officer of the company who knowingly and wilfully authorises or permits the default shall be liable to the like penalty.</p> <p><b>91D. (1)</b> Every manager or other agent of a company other than a private company who enters into a contract for or on behalf of the company in which contract the company is an undisclosed principal shall, at the time of entering into the contract, make a memorandum in writing of the terms of the contract, and specify therein the person with whom it has been made.</p> <p>(2) Every such manager or other agent shall forthwith deliver the memorandum aforesaid to the company, and such memorandum shall be filed in the office of the company and laid before the directors at the next directors' meeting.</p>	XI of 1914, s. 8.

Page.	Act and Section.	Amendment.	Amending Act.
374	VII of 1918— <i>concl.</i>	<p>(3) If any such manager or other agent makes default in complying with the requirements of this section—</p> <p>(a) the contract shall, at the option of the company, be void as against the company; and</p> <p>(b) such manager or other agent shall be liable to a fine not exceeding two hundred rupees."</p>	XI of 1914, s. 3.

# CHRONOLOGICAL TABLE OF THE UNREPEALED ACTS OF THE GOVERNOR GENERAL IN COUNCIL, FROM <sup>1</sup>ACT No. VI OF 1909 TO ACT No. VIII OF 1913.

(The figures in column 5 refer to the pages of this Volume.)

1	2	3	4	5
Year.	No.	Short title.	Whether repealed or otherwise affected by legislation.	Where published.
1909	VI	The Indian Volunteers (Amendment) Act, 1909.	..	1
"	VII	The Anand Marriage Act, 1909.	..	5b.
1910	I	The Indian Press Act, 1910.	..	2
"	II	The Indian Paper Currency Act, 1910.	Amended, Act VII of 1911. Rep. in pt. Act 10 of 1914. Declared to be in force in the Angul district, Reg. 3 of 1913, s. 3, Sch.	10
"	III	The Indian Penal Code Amendment Act, 1910.	..	18
"	V	The Dourine Act, 1910 .	Declared to be in force in the Angul district, Reg. 3 of 1913, s. 3, Sch.	5b.
"	VI	The Indian Stamp (Amendment) Act, 1910.	Rep. in pt. Act 10 of 1914.	21
"	VII	The Court-fees (Amendment) Act, 1910.	..	23
"	VIII	The Indian Tariff (Amendment) Act, 1910.	Amended, Act VI of 1911.	24
"	IX	The Indian Electricity Act, 1910.	Amended, Act 10 of 1914.	26
"	X	The Indian Museum Act, 1910.	S. 2 (1) (c), Amended, Act VII of 1912. Rep. in pt. Act 10 of 1914.	68
"	XI	The Central Provinces Courts (Amendment) Act, 1910.	..	Central Provinces Code (next edition).
"	XII	The Glanders and Farcy Law Amendment Act, 1910.	..	73

<sup>1</sup> For Acts I to V of 1909, see Appendix II to General Acts, Vol. VI, p. 631.

*Chronological Table.*

**UNREPEALED ACTS OF THE GOVERNOR GENERAL IN COUNCIL—*contd.***

1	2	3	4	5
Year.	No.	Short title.	Whether repealed or otherwise affected by legislation.	Where published.
910	XIII	The Prisons (Amendment) Act, 1910.	..	74
"	XIV	The Indian Emigration (Amendment) Act, 1910.	..	ib.
"	XV	The Cantonments Act, 1910.	Rep. in pt. and amended, Act 10 of 1914.	75
"	XVI	The Indian Census Act, 1910.	..	Not republished.
911	I	The Opium (Amendment) Act, 1911.	..	Local Act; published separately.
"	II	The Indian Patents and Designs Act, 1911.	..	89
"	III	The Criminal Tribes Act, 1911.	Rep. in pt. Act 10 of 1914.	118
"	IV	The Indian Ports (Amendment) Act, 1911.	..	128
"	V	The Indian Tramways (Amendment) Act, 1911.	..	129
"	VI	The Indian Tariff (Amendment) Act, 1911.	..	130
"	VII	The Indian Paper Currency (Amendment) Act, 1911.	..	131
"	VIII	The Indian Army Act, 1911.	Declared in force in British Baluchistan, Reg. 2 of 1913, s. 3, Sch. I.  Declared in force in the Angul district, Reg. 3 of 1913, s. 3, Sch.	ib.
"	IX	The Births, Deaths, and Marriages Registration (Amendment) Act, 1911.	..	171

*Chronological Table.*

**UNREPEALED ACTS OF THE GOVERNOR GENERAL IN  
COUNCIL—*contd.***

1	2	3	4	5
Year.	No.	Short title.	Whether repealed or otherwise affected by legislation.	Where published.
1911	X	The Seditious Meetings Act, 1911.	..	173
"	XI	The Indian Universities (Amendment) Act, 1911.	..	175
"	XII	The Indian Factories Act, 1911.	Rep. in pt. Act 10 of 1914.	<i>ib.</i>
"	XIII	The Indian Christian Marriage (Amendment) Act, 1911.	..	197
"	XIV	The Court-fees (Amendment) Act, 1911.	..	<i>ib.</i>
"	XV	The Indian Forest (Amendment) Act, 1911.	..	198
"	XVI	The Bengal, Agra and Assam Civil Courts (Amendment) Act, 1911.	..	Bengal Code (next edition). Assam Code (next edition). United Provinces Code (next edition).
"	XVII	The Indian Airships Act, 1911.	Amended, Act 10 of 1914.	198
"	XVIII	The Calcutta Improvement (Appeals) Act, 1911.	Amended, Act 10 of 1914.	Bengal Code (next edition).
"	XIX	Cowasjee Jehangir Baronetcy Act, 1911.	..	Private Act (not republished).
1912	I	The Indian Stamp (Amendment) Act, 1912.	..	203
"	II	The Co-operative Societies Act, 1912.	Declared to be in force and amended in British Baluchistan, Reg. 2 of 1913, s. 3.	204
"	III	The Indian Post Office (Amendment) Act, 1912.	..	218



*Chronological Table.*UNREPEALED ACTS OF THE GOVERNOR GENERAL IN  
COUNCIL—*contd.*

1	2	3	4	5
Year.	No.	Short title.	Whether repealed or otherwise affected by legislation.	Where published.
1912	IV	The Indian Lunacy Act, 1912.	The Act, except Chapter IV, declared to be in force in the Angul district, Reg. 3 of 1913, s. 3, Sch.	220
"	V	The Provident Insurance Societies Act, 1912.	..	255
"	VI	The Indian Life Assurance Companies Act, 1912.	<sup>1</sup> ..	262
"	VII	The Bengal, Bihar and Orissa and Assam Laws Act, 1912.	S. 4 Rep. in Bihar and Orissa, B. and O. Act I of 1913.	Bengal Code (next edition). Assam Code (next edition).
"	VIII	The Wild Birds and Animals Protection Act, 1912.	..	289
"	IX	The Presidency Small Cause Courts (Amendment) Act, 1912.	..	291
"	X	The Indian Divorce (Amendment) Act, 1912.	..	ib.
"	XII	The Motor Vehicles International Circulation Act, 1912.	<sup>1</sup> Rep. Act 8 of 1914.	292
"	XIII	The Delhi Laws Act, 1912.	..	293
1913	I	The Indian Extradition (Amendment) Act, 1913.	..	296
"	II	The Official Trustees Act, 1913.	Amended, Act 10 of 1914.	297
"	III	The Administrator Generals Act, 1913.	Amended, Act 10 of 1914.	310
"	IV	Sir Currimbhoy Ebrahim Baronetcy Act, 1913.	..	Private Act (not republished).

<sup>1</sup> Act 8 of 1914 will come into force when notified.

*Chronological Table.*

UNREPEALED ACTS OF THE GOVERNOR GENERAL IN  
COUNCIL—*concl'd.*

1	2	3	4	5
Year.	No.	Short title.	Whether repealed or otherwise affected by legislation.	Where published.
1913	V	The White Phosphorus Matches Prohibition Act, 1913.	Declared to be in force in British Baluchistan, Reg. 2 of 1913, s. 3 (I), Sch. I.	333
"	VI	The Mussalman Wakf Validating Act, 1913.	..	334
"	VII	The Indian Companies Act, 1913.	Amended, Acts 10 and 11 of 1914.	335
"	VIII	The Indian Criminal Law (Amendment) Act, 1913.	..	473



THE  
UNREPEALED GENERAL ACTS  
OF  
THE GOVERNOR GENERAL IN COUNCIL.

1

ACT No. VI OF 1909.<sup>1</sup>

[27th August, 1909.]

An Act further to amend the Indian Volunteers Act, 1869.

WHEREAS it is expedient further to amend the <sup>4</sup>Indian Volunteers Act, 1869; It is hereby enacted as follows:

- XX of 1869.** 1. This Act may be called the Indian Volunteers (Amendment) Act, 1909. Short title  
**XX of 1869.** 2. After section 29 of the <sup>2</sup>Indian Volunteers Act, 1869, the following section shall be inserted, namely:— Addition of new section 30 to Act XX, 1869.

“ 30. Any member of the Territorial Force, raised and maintained in pursuance of section 6 of the Territorial and Reserve Forces Act, 1907, who is attached to a corps of volunteers formed under this Act, shall be subject to the provisions of this Act during the period for which he is so attached. ” Members of Territorial Force subject to Act during attachment to Volunteers.

7 Edw. 7,  
c. 9.

ACT No. VII OF 1909.<sup>3</sup>

[22nd October, 1909.]

An Act to remove doubts as to the validity of the marriage ceremony common among the Sikhs called Anand.

WHEREAS it is expedient to remove any doubts as to the validity of the marriage ceremony common among the Sikhs called Anand; It is hereby enacted as follows:—

1. (1) This Act may be called the Anand Marriage Act, 1909; and Short title and extent  
 (2) It extends to the whole of British India.

<sup>1</sup> For Statement of Objects and Reasons, see Gazette of India, 1909, Pt. V, p. 91, and for Proceedings in Council, see *ibid.*, 1909, Pt. VI, pp. 154 and 157.

<sup>2</sup> Genl. Acts, Vol. II.

<sup>3</sup> For Statement of Objects and Reasons, see Gazette of India, 1908, Pt. V, p. 357; for report of Select Committee, see *ibid.*, 1909, Pt. V, p. 1034; and for Proceedings in Council, see *ibid.*, 1908, Pt. VI, p. 156, and *ibid.*, 1909, Pt. VI, pp. 156, 161 and 165.

Validity of  
Anand mar-  
riages.

2. All marriages which may be or may have been duly solemnised according to the Sikh marriage ceremony called Anand shall be, and shall be deemed to have been, with effect from the date of the solemnisation of each respectively, good and valid in law.

Exemption  
of certain  
marriages  
from Act.

3. Nothing in this Act shall apply to—

- (a) any marriage between persons not professing the Sikh religion, or
- (b) any marriage which has been judicially declared to be null and void.

Saving of  
marriages  
solemnised  
according to  
other cere-  
monies.  
Non-valida-  
tion of mar-  
riages within  
prohibited  
degrees.

4. Nothing in this Act shall affect the validity of any marriage duly solemnised according to any other marriage ceremony customary among the Sikhs.

5. Nothing in this Act shall be deemed to validate any marriage between persons who are related to each other in any degree of consanguinity or affinity which would, according to the customary law of the Sikhs, render a marriage between them illegal.

ACT No. 1 OF 1910.<sup>1</sup>

[9th February, 1910.]

An Act to provide for the better control of the Press.

WHEREAS it is necessary to provide for the better control of the Press ;  
It is hereby enacted as follows :—

Short title  
and extent.

1. (1) This Act may be called the Indian Press Act, 1910.

(2) It extends to the whole of British India, inclusive of British Baluchistan, the Santhal Parganas and the Pargana of Spiti.

Definitions.

2. In this Act, unless there is anything repugnant in the subject or context,—

- (a) “ book ” includes every volume, part or division of a volume, and pamphlet, in any language, and every sheet of music, map, chart or plan separately printed or lithographed :
- (b) “ document ” includes also any painting, drawing or photograph or other visible representation :
- (c) “ High Court ” means the highest Civil Court of Appeal for any local area except in the case of the provinces of Ajmer-Merwara and Coorg where it means the High Court of Judicature for the North-Western Provinces and the High Court of Judicature at Madras, respectively :

<sup>1</sup> For Statement of Objects and Reasons, see Gazette of India, 1910, Pt. V, p. 13 ; for Report of Select Committee, see *ibid*, 1910, p. 15 ; for Proceedings in Council, see *ibid*, Pt. VI, pp. 19 and 23.

- (d) "Magistrate" means a District Magistrate or Chief Presidency Magistrate :
- (e) "newspaper" means any periodical work containing public news or comments on public news : and
- (f) "printing-press" includes all engines, machinery, types, lithographic stones, implements, utensils and other plant or materials used for the purpose of printing.

XXV of 1867.

3. (1) Every person keeping a printing-press who is required to make a declaration under section 4 of the <sup>1</sup>Press and Registration of Books Act, 1867, shall, at the time of making the same, deposit with the Magistrate before whom the declaration is made security to such an amount, not being less than five hundred or more than two thousand rupees, as the Magistrate may in each case think fit to require, in money or the equivalent thereof in securities of the Government of India :

Provided that the Magistrate may, if he thinks fit, for special reasons to be recorded by him, dispense with the deposit of any security or may from time to time cancel or vary any order under this sub-section.

XXV of 1867.

(2) Whenever it appears to the Local Government that any printing-press kept in any place in the territories under its administration, in respect of which a declaration was made prior to the commencement of this Act under section 4 of the <sup>1</sup>Press and Registration of Books Act, 1867, is used for any of the purposes described in section 4, sub-section (1), the Local Government may, by notice in writing, require the keeper of such press to deposit with the Magistrate within whose jurisdiction the press is situated security to such an amount, not being less than five hundred or more than five thousand rupees, as the Local Government may think fit to require, in money or the equivalent thereof in securities of the Government of India.

4. (1) Whenever it appears to the Local Government that any printing-press in respect of which any security has been deposited as required by section 3 is used for the purpose of printing or publishing any newspaper, book or other document containing any words, signs, or visible representations which are likely or may have a tendency, directly or indirectly, whether by inference, suggestion, allusion, metaphor, implication or otherwise—

VI of 1908.

- (a) to incite to murder or to any offence under the <sup>2</sup>Explosive Substances Act, 1908, or to any act of violence, or
- (b) to seduce any officer, soldier or sailor in the Army or Navy of His Majesty from his allegiance or his duty, or
- (c) to bring into hatred or contempt His Majesty or the Government established by law in British India or the administration of justice in British India or any Native Prince or Chief under the suzerainty of His Majesty, or any class or section of His Majesty's subjects

<sup>1</sup> Genl. Acts, Vol. I.<sup>2</sup> Genl. Acts, Vol. VI.

- in British India, or to excite disaffection towards His Majesty or the said Government or any such Prince or Chief, or
- (d) to put any person in fear or to cause annoyance to him and thereby induce him to deliver to any person any property or valuable security, or to do any act which he is not legally bound to do, or to omit to do any act which he is legally entitled to do, or
  - (e) to encourage or incite any person to interfere with the administration of the law or with the maintenance of law and order, or
  - (f) to convey any threat of injury to a public servant, or to any person in whom that public servant is believed to be interested, with a view to inducing that public servant to do any act or to forbear or delay to do any act connected with the exercise of his public functions,

the Local Government may, by notice in writing to the keeper of such printing-press, stating or describing the words, signs or visible representations which in its opinion are of the nature described above, declare the security deposited in respect of such press and all copies of such newspaper, book or other document wherever found to be forfeited to His Majesty.

*Explanation I.*—In clause (c) the expression “disaffection” includes disloyalty and all feelings of enmity.

*Explanation II.*—Comments expressing disapproval of the measures of the Government or of any such Native Prince or Chief as aforesaid with a view to obtain their alteration by lawful means, or of the administrative or other action of the Government or of any such Native Prince or Chief or of the administration of justice in British India without exciting or attempting to excite hatred, contempt or disaffection do not come within the scope of clause (c).

(2) After the expiry of ten days from the date of the issue of a notice under sub-section (1), the declaration made in respect of such press under section 4 of the <sup>1</sup>Press and Registration of Books Act, 1867, shall be deemed to be annulled. XXV of 1867.

Deposit of  
further  
security.

5. Where the security given in respect of any press has been declared forfeited under section 4, every person making a fresh declaration in respect of such press under section 4 of the <sup>1</sup>Press and Registration of Books Act, 1867, shall deposit with the Magistrate before whom such declaration is made security to such amount, not being less than one thousand or more than ten thousand rupees, as the Magistrate may think fit to require in money or the equivalent thereof in securities of the Government of India. XXV of 1867.

Power to  
declare  
further secu-  
rity, print-  
ing-press and

6. If after such further security has been deposited the printing-press is again used for the purpose of printing or publishing any newspaper, book or other document containing any words, signs or visible representations which, in the opinion of the Local Government, are of the nature described in section

4, sub-section (1), the Local Government may, by notice in writing to the keeper of such printing-press, stating or describing such words, signs or visible representations, declare—

- (a) the further security so deposited,
- (b) the printing-press used for the purpose of printing or publishing such newspaper, book or other document or found in or upon the premises where such newspaper, book or other document is, or at the time of printing the matter complained of was, printed, and
- (c) all copies of such newspaper, book or other document wherever found, to be forfeited to His Majesty.

7. (1) Where any printing-press is, or any copies of any newspaper, book or other document are, declared forfeited to His Majesty under this Act, the Local Government may direct any Magistrate to issue a warrant empowering any police-officer, not below the rank of a Sub-Inspector, to seize and detain any property ordered to be forfeited, and to enter upon and search for such property in any premises—

- (i) where any such property may be or may be reasonably suspected to be, or
- (ii) where any copy of such newspaper, book or other document is kept for sale, distribution, publication or public exhibition or reasonably suspected to be so kept.

(2) Every warrant issued under this section shall, so far as relates to a search, be executed in manner provided for the execution of search-warrants under the Code of Criminal Procedure, 1898.

V of 1898.

8. (1) Every publisher of a newspaper who is required to make a declaration under section 5 of the Press and Registration of Books Act, 1867, shall, at the time of making the same, deposit with the Magistrate before whom the declaration is made security to such an amount, not being less than five hundred or more than two thousand rupees, as the Magistrate may in each case think fit to require, in money or the equivalent thereof in securities of the Government of India :

XXV of 1867.

Provided that, if the person registered under the said Act as printer of the newspaper is also registered as the keeper of the press where the newspaper is printed, the publisher shall not be required to deposit security so long as such registration is in force :

Provided further that the Magistrate may, if he thinks fit, for special reasons to be recorded by him, dispense with the deposit of any security or may from time to time cancel or vary any order under this sub-section.

<sup>1</sup> Genl. Acts, Vol. V.

<sup>2</sup> Genl. Acts, Vol. I.



(2) Whenever it appears to the Local Government that a newspaper published within its territories, in respect of which a declaration was made by the publisher thereof prior to the commencement of this Act, under section 5 of the <sup>1</sup>Press and Registration of Books Act, 1867, contains any words, signs <sup>XXV of</sup> or visible representations of the nature described in section 4, sub-section (1), <sup>1867.</sup> the Local Government may, by notice in writing, require the publisher to deposit with the Magistrate, within whose jurisdiction the newspaper is published, security to such an amount, not being less than five hundred or more than five thousand rupees, as the Local Government may think fit to require in money or the equivalent thereof in securities of the Government of India.

Power to  
declare  
security  
forfeited in  
certain cases.

9. (1) If any newspaper in respect of which any security has been deposited as required by section 8 contains any words, signs or visible representations which, in the opinion of the Local Government, are of the nature described in section 4, sub-section (1), the Local Government may, by notice in writing to the publisher of such newspaper, stating or describing such words, signs or visible representations, declare such security and all copies of such newspaper, wherever found, to be forfeited to His Majesty.

(2) After the expiry of ten days from the date of the issue of a notice under sub-section (1), the declaration made by the publisher of such newspaper under section 5 of the <sup>1</sup>Press and Registration of Books Act, 1867, shall be <sup>XXV of</sup> deemed to be annulled. <sup>1867.</sup>

Deposit of  
further  
security.

10. Where the security given in respect of any newspaper is declared forfeited, any person making a fresh declaration, under section 5 of the <sup>1</sup>Press and Registration of Books Act, 1867, as publisher of such newspaper or <sup>XXV of</sup> any other newspaper which is the same in substance as the said newspaper, <sup>1867.</sup> shall deposit with the Magistrate before whom the declaration is made security to such amount, not being less than one thousand or more than ten thousand rupees, as the Magistrate may think fit to require, in money or the equivalent thereof in securities of the Government of India.

Power to  
declare  
further  
security and  
newspapers  
forfeited.

11. If, after such further security has been deposited, the newspaper again contains any words, signs or visible representations which, in the opinion of the Local Government, are of the nature described in section 4, sub-section (1), the Local Government may, by notice in writing to the publisher of such newspaper, stating or describing such words, signs or visible representations, declare—

(a) the further security so deposited, and

(b) all copies of such newspaper wherever found,

to be forfeited to His Majesty.

Power to  
declare  
certain  
publications  
forfeited, and  
to issue

12. (1) Where any newspaper, book or other document wherever printed appears to the Local Government to contain any words, signs or visible representations of the nature described in section 4, sub-section (1), the Local Government may, by notification in the local official Gazette, stating the

grounds of its opinion, declare such newspaper, book or other document to be forfeited to His Majesty, and thereupon any police-officer may seize the same wherever found, and any Magistrate may by warrant authorise any police-officer not below the rank of Sub-Inspector to enter upon and search for the same in any premises where the newspaper, book or other document may be or may be reasonably suspected to be.

(2) Every warrant issued under this section shall, so far as relates to a search, be executed in manner provided for the execution of search-warrants under the Code of Criminal Procedure, 1898.

**13.** The Chief Customs-officer or other officer authorised by the Local Government in this behalf may detain any package brought, whether by land or sea, into British India which he suspects to contain any newspapers, books or other documents of the nature described in section 4, sub-section (1), and shall forthwith forward copies of any newspapers, books or other documents found therein to such officer as the Local Government may appoint in this behalf to be disposed of in such manner as the Local Government may direct.

XXV of  
867.

**14.** No newspaper printed and published in British India shall be transmitted by post unless the printer and publisher have made a declaration under section 5 of the Press and Registration of Books Act, 1867, and the publisher has deposited security when so required under this Act.

**15.** Any officer in charge of a post-office or authorised by the Post-Master-General in this behalf may detain any article other than a letter or parcel in course of transmission by post, which he suspects to contain—

(a) any newspaper, book or other document containing words, signs or visible representations of the nature described in section 4, sub-section (1), or

XXV of  
867.

(b) any newspaper in respect of which the declaration required by section 5 of the Press and Registration of Books Act, 1867, has not been made, or the security required by this Act has not been deposited by the publisher thereof,

and shall deliver all such articles to such officer as the Local Government may appoint in this behalf to be disposed of in such manner as the Local Government may direct.

<sup>1</sup> Genl. Acts, Vol. V.

<sup>2</sup> For notification by Government of Eastern Bengal and Assam authorising all District Magistrates under this section, see Eastern Bengal and Assam Gazette Extraordinary, dated 28th February, 1910; by Government of Bengal, see Calcutta Gazette, 1913, Pt. I, p. 668, *ibid*, 1913, Pt. I, p. 771, *ibid*, 1913, Pt. I, p. 823, *ibid*, Extraordinary, 1913, dated 15th December, 1913; by the Government of Bihar and Orissa, see Bihar and Orissa Gazette, 1913, Pt. II, p. 396; United Provinces, see United Provinces Gazette, 1913, Pt. I, p. 1233, and *ibid*, 1913, Extraordinary, dated 16th December, 1913; North-West Frontier Province, see North-West Frontier Province Gazette, 1913, Pt. I-A, p. 991.

<sup>3</sup> For notification by the Government of Eastern Bengal and Assam, see Eastern Bengal and Assam Gazette Extraordinary, dated 28th February, 1910; by the Government of Bengal, see Calcutta Gazette, 1913, Pt. I, p. 669; by the Chief Commissioner of Central Provinces, see Central Provinces Gazette, 1910, Pt. I, p. 136; by the Government of Bihar and Orissa, see Bihar and Orissa Gazette, 1913, Pt. II, p. 396. For notification for the Province of Delhi, see Gazette of India, 1914, Pt. I, p. 799.

<sup>4</sup> Genl. Acts, Vol. I.

Copies of newspapers printed in British India to be delivered *gratis* to Government.

**16.** (1) The printer of every newspaper in British India shall deliver at such place and to such officer as the Local Government may, by notification in the local official Gazette, direct, and free of expense to the Government, two copies of each issue of such newspaper as soon as it is published. •

(2) If any printer of any such newspaper neglects to deliver copies of the same in compliance with sub-section (1), he shall, on the complaint of the officer to whom the copies should have been delivered or of any person authorised by that officer in this behalf, be punishable on conviction, by a Magistrate having jurisdiction in the place where the newspaper was printed, with fine which may extend to fifty rupees for every default!

Application to High Court to set aside order of forfeiture.

**17.** Any person having an interest in any property in respect of which an order of forfeiture has been made under section 4, 6, 9, 11 or 12 may, within two months from the date of such order, apply to the High Court to set aside such order on the ground that the newspaper, book or other document in respect of which the order was made did not contain any words, signs or visible representations of the nature described in section 4, sub-section (1).

Hearing by Special Bench.

**18.** Every such application shall be heard and determined by a Special Bench of the High Court composed of three Judges, or, where the High Court consists of less than three Judges, of all the Judges.

Order of Special Bench setting aside forfeiture.

**19.** (1) If it appears to the Special Bench that the words, signs or visible representations contained in the newspaper, book or other document in respect of which the order in question was made were not of the nature described in section 4, sub-section (1), the Special Bench shall set aside the order of forfeiture.

(2) Where there is a difference of opinion among the Judges forming the Special Bench, the decision shall be in accordance with the opinion of the majority (if any) of those Judges.

(3) Where there is no such majority which concurs in setting aside the order in question, such order shall stand.

Evidence to prove nature or tendency of newspapers.

**20.** On the hearing of any such application with reference to any newspaper, any copy of such newspaper published after the commencement of this Act may be given in evidence in aid of the proof of the nature or tendency of the words, signs or visible representations contained in such newspaper which are alleged to be of the nature described in section 4, sub-section (1).

<sup>1</sup> For notification by—

(1) Government of Madras, *see* Fort Saint George Gazette, 1910, Pt. I, p. 266.

(2) Government of Bombay, *see* Bombay Government Gazette, 1910, Pt. I, p. 239.

(3) Government of Bengal, *see* Calcutta Gazette, 1913, Pt. I, p. 669.

(4) Government of the United Provinces, *see* United Provinces Gazette, 1910, Pt. I, p. 175.

(5) Chief Commissioner, Central Provinces, *see* Central Provinces Gazette, 1910, Pt. I, p. 112.

(6) " " , Ajmer-Merwara, *see* Gazette of India, 1910, Pt. II, p. 932.

(7) " " , North-West Frontier Province, *see* Gazette of India, 1910, Pt. II, p. 368.

21. Every High Court shall, as soon as conveniently may<sup>1</sup> be, frame <sup>1</sup>rules Procedure in High Court. to regulate the procedure in the case of such applications, the amount of the costs thereof and the execution of orders passed thereon, and until such rules are framed the practice of such Court in proceedings other than suits and appeals shall apply, so far as may be practicable, to such applications.

22. Every declaration of forfeiture purporting to be made under this Act shall, as against all persons, be conclusive evidence that the forfeiture therein referred to has taken place, and no proceeding purporting to be taken under this Act shall be called in question by any Court, except the High Court on such application as aforesaid, and no civil or criminal proceedings, except as provided by this Act, shall be instituted against any person for anything done or in good faith intended to be done under this Act. Jurisdiction barred.

23. (7) Whoever keeps in his possession a press for the printing of books or papers without making a deposit under section 3 or section 5, when required so to do, shall, on conviction by a Magistrate, be liable to the penalty to which he would be liable if he had failed to make the declaration prescribed by section 4 of the <sup>2</sup>Press and Registration of Books Act, 1867. Penalty for keeping press or publishing newspaper without making deposit.

XXV of  
1867.

(2) Whoever publishes any newspaper without making a deposit under section 8 or section 10, when required so to do, or publishes such newspaper knowing that such security has not been deposited, shall, on conviction by a Magistrate, be liable to the penalty to which he would be liable if he had failed to make the declaration prescribed by section 5 of the <sup>2</sup>Press and Registration of Books Act, 1867.

XXV of  
1867.

24. Where any person has deposited any security under this Act and ceases to keep the press in respect of which such security was deposited, or, being a publisher, makes a declaration under section 8 of the <sup>2</sup>Press and Registration of Books Act, 1867, he may apply to the Magistrate within whose jurisdiction such press is situate for the return of the said security; and thereupon such security shall, upon proof to the satisfaction of the Magistrate and subject to the provisions hereinbefore contained, be returned to such person. Return of deposited security in certain cases.

XXV of  
1867.

25. Every notice under this Act shall be sent to a Magistrate, who shall cause it to be served in the manner provided for the service of summonses under the <sup>3</sup>Code of Criminal Procedure, 1898. Service of notices.

V of 1898.

26. Nothing herein contained shall be deemed to prevent any person from being prosecuted under any other law for any act or omission which constitutes an offence against this Act. Operation of other laws not barred.

<sup>1</sup> For rules by the—

(1) High Court, Calcutta, see Gazette of India, 1910, Pt. II, p. 407.

(2) High Court at Allahabad, see U. P. Gazette, 1910, Pt. II, p. 159A.

(3) High Court at Bombay, see Bombay Government Gazette, 1910, Pt. I, p. 549.

(4) High Court at Madras, see Fort St. George Gazette, 1910, Pt. II, p. 1192.

(5) Judicial Commissioner of Oudh, U. P. Gazette, 1910, Pt. II, p. 820.

<sup>2</sup> Genl. Acts, Vol. I.

<sup>3</sup> Genl. Acts, Vol. V.

## THE INDIAN PAPER CURRENCY ACT, 1910 (II OF 1910).

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CONTENTS.

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*Preliminary.*

## SECTIONS.

1. Short title and extent.
2. Definition.

*The Department of Paper Currency.*

3. Department of Paper Currency for issue of currency notes.
4. Head Commissioner of Paper Currency.
5. Power to establish circles of issue, offices of issue and currency agencies.
6. Commissioners of Paper Currency and Currency Agents.
7. Subordination of officers.
8. Appointment of officers.

*Supply and Issue of Currency Notes.*

9. Head Commissioner and Commissioners to provide and distribute currency notes.
10. Signatures to currency notes.
11. Issue of currency notes for silver or gold coin by officers in charge of circles.
12. Issue of currency notes for silver or gold coin by Currency Agents.
13. Issue to Government Treasuries of currency notes for gold coin not legal tender or gold bullion.
14. Issue of currency notes for certain gold coin or gold or silver bullion or securities held by Secretary of State.

*Currency Notes where legal tender and where payable.*

15. Currency notes where legal tender.
16. Currency notes where payable.
17. Currency notes issued from currency agencies where deemed to be issued.
18. Provision in case of closure of office.

*Reserve.*

19. Reserve coin, bullion and securities to be equal to amount of currency notes in circulation.
20. Power to dispose of coin and bullion in reserve.

## SECTIONS.

21. Coin and bullion to remain part of reserve during transit between England and India.
22. Nature and value of securities which may form reserve.
23. Trustees of Indian securities purchased under Act.
24. Power to sell and replace Indian securities.
25. Account of interest on securities.

*Private Bills payable to Bearer on Demand.*

26. Prohibition of issue of private bills or notes payable to bearer on demand.
27. Penalty for issuing such bills or notes and institution of prosecutions.

*Supplementary Provisions.*

28. Abstracts of accounts.
29. Power to make rules.
30. Repeals.

## THE SCHEDULE.

## ENACTMENTS REPEALED.

ACT NO. II OF 1910.<sup>1</sup>

[18th February, 1910.]

An Act to consolidate and amend the law relating to the Government Paper Currency.

WHEREAS it is expedient to consolidate and amend the law relating to the Government Paper Currency ; It is hereby enacted as follows :—

*Preliminary.*

1. (1) This Act may be called the Indian Paper Currency Act, 1910 ; and Short title  
(2) It extends to the whole of British India, inclusive of British Baluchis- and extent.  
tan, the Santhal Parganas and the Pargana of Spiti.

2. In this Act, “ universal currency note ” means—

Definition.

- (a) a note of the denominational value of five rupees, ten rupees or fifty rupees, or
- <sup>2</sup> (b) a note of any other denominational value which the Governor General in Council may, by notification in the Gazette of India, specify in this behalf.

<sup>1</sup> For Statement of Objects and Reasons, see Gazette of India, 1909, Pt. V, p. 100 ; for Report of Select Committee, see *ibid*, 1910, Pt. V, p. 7 ; and for Proceedings in Council, see *ibid*, 1909, Pt. VI, p. 158, and *ibid*, 1910, Pt. VI, pp. 13, 19 and 90, dated 5th February, 1910, 12th February, 1910, and 26th February, 1910, respectively.

This Act has been declared in force in the Angul district by the Angul Laws Regulation, 1913 (III of 1913), s. 3.

<sup>2</sup> A note of Rs. 100 in value has been declared a universal currency note, see Gazette of India, 1911, Pt. I, p. 233.

*The Department of Paper Currency.*

Department  
of Paper  
Currency for  
issue of cur-  
rency notes.

3. There shall continue to be a Department of the public service<sup>1</sup> to be called the Department of Paper Currency, whose function shall be the issue of promissory notes of the Government of India, to be called currency notes, payable to bearer on demand, and of such denominational values, not being less than five rupees, as the Governor General in Council may direct.

Head Com-  
missioner of  
Paper Cur-  
rency.  
Power to  
establish  
circles of  
issue, offices  
of issue and  
currency  
agencies.

4. At the head of the Department there shall be an officer to be called the Head Commissioner of Paper Currency.

5. The Governor General in Council may, by Notification in the Gazette of India,—

- (a) establish districts, to be called circles of issue, seven of which circles shall include the towns of Calcutta, Madras, Bombay, Rangoon, Lahore, Cawnpore and Karachi, respectively ;
- (b) appoint in each circle some one town to be the place of issue of currency notes, as hereinafter provided ;
- (c) establish in each such town an office or offices of issue ; and
- (d) establish in any town situate in any circle an office, to be called a currency agency.

Commission-  
ers of Paper  
Currency and  
Currency  
Agents.

6. (1) The Head Commissioner of Paper Currency shall be the officer<sup>2</sup> in charge of the circle of issue which includes the Town of Calcutta.

(2) For each other circle of issue there shall be an officer in charge to be called the Commissioner of Paper Currency, and for each Currency Agency an officer to be called the Currency Agent.

Subordina-  
tion of  
officers.

7. For the purposes of this Act—

- (a) Commissioners of Paper Currency shall be subordinate to the Head Commissioner of Paper Currency ; and
- (b) the Currency Agent at any town shall be subordinate to the Head Commissioner, or Commissioner, as the case may be, of Paper Currency for the circle of issue in which that town is situate.

Appointment  
of officers.

8. All officers under this Act shall be appointed by the Governor General in Council.

*Supply and Issue of Currency Notes.*

Head Com-  
missioner  
and Commis-  
sioners to  
provide and  
distribute  
currency  
notes.

9. (1) The Head Commissioner shall provide currency notes of the denominational values prescribed under this Act, and shall supply the Commissioners and the Currency Agents subordinate to him with such notes as they need for the purposes of this Act.

(2) The Commissioners shall supply the Currency Agents subordinate to them, respectively, with such notes as those Agents need for the purposes of this Act.

<sup>1</sup> For notifications under this section and in conjunction with section 18, see Gen. R. and O.

<sup>2</sup> For appointments made in pursuance of this section, see Gen. R. and O.

(3) Every such note, other than a universal currency note, shall bear upon it the name of the town from which it is issued.

10. The name of the Head Commissioner, or one of the Commissioners, or of some other person authorized by the Head Commissioner, or by one of the Commissioners, to sign currency notes, shall be subscribed to every such note and may be impressed thereon by machinery, and when so impressed shall be deemed to be a valid signature.

Signatures  
to currency  
notes.

11. The officers in charge of circles of issue shall, in their respective circles, on the demand of any person, issue, from the office or offices of issue established in their respective circles, currency notes of the denominational values prescribed under this Act, in exchange for the amount thereof—

Issue of  
currency  
notes for  
silver or  
gold coin  
by officers  
in charge of  
circles.

III of 1906.

(a) in rupees or half-rupees or in gold coin which is legal tender under the <sup>1</sup>Indian Coinage Act, 1906, or

IX of 1876.

(b) in rupees made and declared to be a legal tender under the provisions of the <sup>2</sup>Native Coinage Act, 1876.

12. Any Currency Agent to whom currency notes have been supplied under section 9 may, if he thinks fit, on the demand of any person, issue from his agency any such notes in exchange for the amount thereof in any coin specified in section 11.

Issue of cur-  
rency notes  
for silver or  
gold coin by  
Currency  
Agents.

III of 1906.

13. The officer in charge of circles of issue shall, on the requisition of the Comptroller General, issue to any Government Treasury currency notes in exchange for gold coin which is not legal tender under the <sup>1</sup>Indian Coinage Act, 1906, or for gold bullion at the rate of one rupee for 7·53344 grains troy of fine gold.

Issue to  
(Government  
Treasuries of  
currency  
notes for  
gold coin  
not legal  
tender or  
gold bullion.

14. If the Secretary of State for India in Council consents to hold in gold coin or bullion, or in silver bullion or in securities of the kinds mentioned in section 22, the equivalent in value to notes issued in India as a reserve to secure the payment of such notes, the Governor General in Council may, from time to time, direct that currency notes shall be issued to an amount equal to the value of the coin, bullion and securities so held by the Secretary of State for India in Council.

Issue of cur-  
rency notes  
for certain  
gold coin or  
gold or silver  
bullion or  
securities  
held by  
Secretary of  
State.

*Currency Notes where legal tender and where payable.*

15. A universal currency note shall be a legal tender at any place in British India, and

Currency  
notes where  
legal tender.

<sup>1</sup> Genl. Acts, Vol. VI.

<sup>2</sup> Genl. Acts, Vol. II.



any other currency note shall be a legal tender at any place within the circle from which the note was issued,

for the amount expressed in the note in payment or on account of—

(a) any revenue or other claim, to the amount of five rupees or upwards, due to the Government of India, and

(b) any sum of five rupees or upwards, due by the Government of India, or by any body corporate or person in British India :

Provided that no currency note shall be deemed to be a legal tender by the Government of India at any office of issue.

**16.** A currency note shall be payable at the following offices of issue, namely :—

(a) a universal currency note at any office of issue ;

(b) a currency note other than a universal currency note at any office of issue in the town from which it was issued :

Provided that any such note issued before the commencement of this Act shall also be payable,—

(i) in the case of a note issued from the office at Cawnpore or Lahore, at any office of issue in Calcutta, and

(ii) in the case of a note issued from the office at Karachi, at any office of issue in Bombay.

**17.** For the purposes of sections 15 and 16, currency notes issued from any currency agency shall be deemed to have been issued from the town appointed under section 5 to be the place of issue in the circle of issue in which that agency is established.

**18.** Where an office of issue is closed, the Governor General in Council shall, by notification in the Gazette of India, direct that, with effect from the date of the closing of such office, all currency notes issued therefrom shall, for the purposes of sections 15 and 16, be deemed to have been issued from such other office as may be specified in such notification.

#### *Reserve.*

**19.** The whole amount of currency notes at any time in circulation shall not exceed the total amount represented by the sovereigns, half-sovereigns, rupees, half-rupees and gold bullion, and the sum expended in the purchase of the silver bullion and securities which are for the time being held by the Secretary of State for India in Council and by the Governor General in Council, as a reserve to provide for the satisfaction and discharge of the said notes, and the said notes shall be deemed to have been issued on the credit of the Government of India as well as on the security of the said coin, bullion and securities :

Provided that, for the purposes of this section, currency notes which have not been presented for payment, in the case of notes of any denominational

Currency notes where payable.

Currency notes issued from currency agencies where deemed to be issued.  
Provision in case of closure of office.

Reserve coin, bullion and securities to be equal to amount of currency notes in circulation.

value not exceeding one hundred rupees within forty years, and in the case of notes of any denominational value exceeding one hundred rupees within one hundred years from the first day of April following the date of their issue, shall be deemed not to be in circulation :

Provided further that all notes which are declared under the first proviso of this section not to be in circulation shall be deemed to have been issued on the credit of the Government of India, and shall, if subsequently presented or payment, be paid from the revenues of the Government of India.

20. Subject to the provisions of section 19, the Governor General in Council may at any time, if he thinks it expedient, convert any of the coin or bullion or the time being held by him as a part of the reserve into coin of any of the kinds mentioned in section 11 or into gold or silver bullion.

Power to dispose of coin and bullion in reserve.

21. If any coin or bullion held by the Secretary of State for India in Council or by the Governor General in Council as part of the reserve is transmitted by the Secretary of State for India in Council to the Governor General in Council or by the Governor General in Council to the Secretary of State for India in Council, it shall be deemed during the period of transmission to remain part of the reserve referred to in section 19.

Coin and bullion to remain part of reserve during transit between England and India.

22. The securities mentioned in section 19 shall be securities of the United Kingdom of Great Britain and Ireland or of the Government of India, or securities issued by the Secretary of State for India in Council under the authority of Act of Parliament and charged on the revenues of India, and the value of them at the price at which they are purchased shall not exceed one hundred and <sup>1</sup>[forty millions] of rupees :

Nature and value of securities which may form reserve.

Provided that the value at such price as aforesaid of such of the said securities as are not securities of the Government of India shall at no time exceed <sup>1</sup>[forty millions] of rupees.

23. The securities purchased by the Governor General in Council shall be securities of the Government of India, and shall be held by the Head Commissioner and the Master of the Mint at Calcutta or of such other Mint as the Governor General in Council may direct in this behalf, in trust for the Secretary of State for India in Council.

Trustees of Indian securities purchased under Act.

24. (1) The Head Commissioner may at any time, when ordered so to do by the Governor General in Council, sell and dispose of any of the securities held under section 23.

Power to sell and replace Indian securities.

(2) For the purpose of effecting such sales, the Master of the Mint at Calcutta or of such other Mint as aforesaid shall, on a request in writing from the Head Commissioner, at all times sign and endorse the securities, and the Head Commissioner, if so directed by the Governor General in Council, may purchase securities of the Government of India to replace such sales.

<sup>1</sup> These words were substituted for the words "twenty millions" by sec. 2 of the Indian Paper Currency (Amendment) Act, 1911 (Act VII of 1911), *infra*, p. 131.

Account of  
interest on  
securities.

25. An account showing the amount of the interest accruing on the securities held as part of the reserve under this Act and the expenses and charges incidental thereto, shall be rendered annually by the Head Commissioner to the Governor General in Council, and published annually in the Gazette of India.

*Private Bills payable to Bearer on Demand.*

Prohibition  
of issue of  
private bills  
or notes  
payable to  
bearer on  
demand.

26. No person in British India shall draw, accept, make or issue any bill of exchange, hundi, promissory note or engagement for the payment of money payable to bearer on demand, or borrow, owe or take up any sum or sums of money on the bills, hundis or notes payable to bearer on demand, of any such person :

Provided that cheques or drafts payable to bearer on demand or otherwise, may be drawn on bankers, shroffs or agents by their customers or constituents in respect of deposits of money in the funds of those bankers, shroffs or agents and held by them at the credit and disposal of the persons drawing such cheques or drafts.

Penalty for  
issuing such  
bills or notes  
and institu-  
tion of  
prosecutions.

27. (1) Any person contravening the provisions of section 26 shall, on conviction by a Presidency Magistrate or a Magistrate of the first class, be punishable with a fine equal to the amount of the bill, hundi, note or engagement in respect whereof the offence is committed.

(2) Every prosecution under this section shall be instituted by the officer in charge of the circle of issue in which the bill, hundi, note or engagement is drawn, accepted, made or issued.

*Supplementary Provisions.*

Abstracts of  
accounts.

28. An abstract of the accounts of the Department of Paper Currency, showing—

- (a) the whole amount of currency notes in circulation,
- (b) the amount of coin and bullion reserved, distinguishing gold from silver, and showing separately the amount of coin or bullion held by the Secretary of State for India in Council, or in transit from or to India, or in the custody of the Mint Master during coinage, and
- (c) the nominal value of, and the price paid for, the securities held as part of the reserve, showing separately those held by the Secretary of State for India in Council and those held in India under section 23,

shall be made up four times in each month by the Head Commissioner, and published, as soon as may be, in the Gazette of India.

Power to  
make rules.

29. (1) The Governor General in Council may make rules to carry out the purposes and objects of this Act.

• (2) In particular and without prejudice to the generality of the foregoing power, such rules may—

- <sup>1</sup> (a) fix the denominational values (not being less than five rupees) for which currency notes shall be issued ;
- (b) provide for the alteration of the limits of any of the circles of issue ;
- <sup>1</sup> (c) declare the places at which currency notes shall be issued ; and
- (d) fix and notify the conditions upon which lost or mutilated currency notes may be paid at offices of issue.

(3) Every such rule shall be published in the Gazette of India, and on such publication shall have effect as if enacted in this Act.

**30.** [*Repeals.*] *Repealed by Act 10 of 1914, Sch. II.*

III of 1905. <sup>2</sup> [Provided that] all securities purchased and notes issued under the Indian Paper Currency Act, 1905, or any Act thereby repealed shall, if undisposed of or in circulation at the commencement of this Act, be deemed to have been respectively purchased and issued under this Act :

III of 1905. <sup>2</sup> [Provided also that] all currency notes, which under section 29 of the Indian Paper Currency Act, 1905, are to be deemed to have been issued from the office of issue in the town of Cawnpore, shall still be deemed to have been issued from that office.

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### THE SCHEDULE.

#### ENACTMENTS REPEALED.

(*Rep. Act X of 1914.*)

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<sup>1</sup> For rules under these clauses, see Gen. R. and O.

<sup>2</sup> The words "Provided that" and "Provided also that" were repealed by the Repealing and Amending Act, 1914 (10 of 1914).

ACT No. III of 1910.<sup>1</sup>

[18th February, 1910.]

## An Act further to amend the Indian Penal Code.

WHEREAS it is expedient further to amend the <sup>2</sup>Indian Penal Code ; It is hereby enacted as follows :—

Short title.  
Substitution  
of new sec-  
tion for sec-  
tion 75,  
Indian Penal  
Code.

1. This Act may be called the Indian Penal Code Amendment Act, 1910.

2. For section 75 of the <sup>2</sup>Indian Penal Code, the following shall be substituted, namely :—

“ 75. Whoever, having been convicted,—

- (a) by a Court in British India, of an offence punishable under Chapter XII or Chapter XVII of this Code with imprisonment of either description for a term of three years or upwards, or
- (b) by a Court or tribunal in the territories of any Native Prince or State in India acting under the general or special authority of the Governor General in Council or of any Local Government, of an offence which would, if committed in British India, have been punishable under those Chapters of this Code with like imprisonment for the like term,

shall be guilty of any offence punishable under either of those Chapters with like imprisonment for the like term, shall be subject for every such subsequent offence to transportation for life, or to imprisonment of either description for a term which may extend to ten years.”

## ACT No. V of 1910.\*

[25th February, 1910.]

## An Act to provide for the prevention of the spread of Dourine.

WHEREAS it is expedient to provide for the prevention of the spread of dourine ; It is hereby enacted as follows :—

Short title  
and extent.

1. (1) This Act may be called the Dourine Act, 1910.

<sup>1</sup> For Statement of Objects and Reasons, see Gazette of India, 1910, Pt. V, p. 1 ; and for Proceedings in Council, see *ibid.*, 1910, Pt. VI, pp. 13 and 91, dated 5th February, 1910, and 26th February, 1910, respectively.

<sup>2</sup> Genl. Acts, Vol. I.

<sup>3</sup> For Statement of Objects and Reasons, see Gazette of India, 1909, Pt. V, p. 96 ; for Report of Select Committee, see *ibid.*, 1910, Pt. V, p. 27 ; and for Proceedings in Council, see *ibid.*, 1909, Pt. VI, p. 157, and *ibid.*, 1910, Pt. VI, pp. 13, 90 and 121, dated 5th February, 1910, 26th February, 1910, and 12th March, 1910, respectively.

This Act has been declared in force in the Angul district by the Angul Laws Regulation, 1913 (III of 1913), sec. 3.

(2) This section extends to the whole of British India : the rest of this Act extends only to such areas as the Local Government may, by notification in the local official Gazette, direct.

2. (1) In this Act, the expressions " inspector " and " veterinary practitioner " mean, respectively, the officers appointed as such under this Act, acting within the local limits for which they are so appointed. Definitions.

(2) The provisions of this Act in so far as they relate to entire horses shall, if the Local Government, by notification as aforesaid, so directs, apply also to entire asses used for mule-breeding purposes.

3. The Local Government may, by notification as aforesaid, make such orders as it thinks fit directing and regulating the registration of entire horses maintained for breeding purposes. Registration of horses.

4. (1) The Local Government may, by notification as aforesaid, appoint any persons it thinks fit to be inspectors, and any qualified veterinary surgeons to be veterinary practitioners, under this Act, and to exercise and perform, within any area prescribed by the notification, the powers conferred and duties imposed by this Act upon such officers respectively. Appointment of inspectors and veterinary practitioners.

(2) Every person so appointed shall be deemed to be a public servant within the meaning of the Indian Penal Code. XLV of 1860.

5. An inspector may, subject to such rules as the Local Government may make in this behalf,— Powers of inspector.

- (a) enter and search any building, field or other place for the purpose of ascertaining whether there is therein any horse which is affected with dourine ; and
- (b) prohibit, by order in writing, the owner or keeper of any horse, which in his opinion is affected with dourine, from using such horse for breeding purposes, pending examination by the veterinary practitioner.

6. An inspector issuing an order under section 5, clause (b), shall forthwith forward a copy of such order to the veterinary practitioner. Duties of inspector.

7. A veterinary practitioner receiving a copy of an order forwarded under section 6 shall, as soon as possible after receipt of such copy, examine the horse mentioned therein, and may for such purpose enter any building, field or other place. Inspection of horses.

8. A veterinary practitioner may— Powers of veterinary practitioner.

- (a) cancel any order issued under section 5, clause (b) ; or
- (b) if on microscopical examination he finds that any horse is affected with dourine,—
  - (i) in the case of an entire horse, cause it to be castrated,
  - (ii) in the case of a mare, cause it to be branded in such manner as he may direct, or with the previous sanction of the Commis-

sioner or such other officer as the Local Government may appoint in this behalf, cause it to be destroyed.

Compensation for horse destroyed, etc.

9. When any horse is castrated or destroyed under section 8, the market-value of such horse immediately before it became affected with dourine shall be ascertained; and the Local Government shall pay as compensation to the owner thereof—

(a) in the case of a mare which has been destroyed, or of an entire horse which has died in consequence of castration, such market-value, and,

(b) in the case of an entire horse which survives castration, half the amount by which such value has been diminished owing to infection with dourine and castration.

Settlement of compensation.

10. (1) A veterinary practitioner may award, as compensation to be paid under section 9 in respect of each horse castrated or destroyed under section 8, a sum not exceeding two hundred and fifty rupees.

(2) If, in the opinion of the veterinary practitioner, the amount which should be paid as such compensation exceeds two hundred and fifty rupees, he shall report accordingly to the Collector, who shall decide the amount to be so paid.

Committees for hearing appeals.

11. (1) The Local Government shall, by rules published in the local official Gazette, make provision for the constitution of a committee or committees for the hearing of appeals from decisions under section 10.

(2) Such rules shall provide that not less than one member of any committee constituted thereunder shall be a person not in the employ of Government or of a local authority.

Appeals.

12. Any owner may, within two months from the date of a decision under section 10, appeal against such decision to the committee constituted in that behalf by rules made under section 11, and the decision of such committee shall be final.

Vexatious entries and searches.

13. (1) Whoever, being an inspector appointed under this Act, vexatiously and unnecessarily enters or searches any field, building or other place, shall be punishable with imprisonment for a term which may extend to six months, or with fine which may extend to five hundred rupees, or with both.

(2) No prosecution under this section shall be instituted after the expiry of three months from the date on which the offence has been committed.

Rules.

14. (1) The Local Government may make rules for the purpose of carrying into effect the provisions of this Act.

(2) In particular, and without prejudice to the generality of the foregoing power, such rules as aforesaid may—

(a) regulate entries, searches and orders by inspectors under section 5;

(b) regulate the action to be taken by veterinary practitioners under section 8; and

(c) make provision for the payment of compensation to the owner of any mare branded under section 8.

(3) All such rules shall be published in the local official Gazette, and, on such publication, shall have effect as if enacted in this Act.

(4) In making any rule under this section the Local Government may direct that a breach of it shall be punishable with fine which may extend to fifty rupees.

15. Whoever uses or permits to be used for breeding purposes—

Penalties.

(a) any horse which has not been registered in accordance with the requirements of a notification under section 3, or

(b) any horse in respect of which an order under section 5, clause (b), is in force, or

(c) any mare which has been branded in pursuance of section 8, clause (b), shall be punishable with fine which may amount, in the case of a first conviction, to fifty rupees, or, in the case of a second or subsequent conviction, to one hundred rupees.

16. No suit, prosecution or other legal proceeding shall lie against any person for anything which is, in good faith, done or intended to be done under this Act.

Protection to persons acting under Act.

# ACT No. VI OF 1910.

[4th March, 1910.]

## An Act further to amend the Indian Stamp Act, 1899.

II of 1899.

WHEREAS it is expedient further to amend the <sup>2</sup>Indian Stamp Act, 1899; It is hereby enacted as follows:—

II of 1899.

1. This Act may be called the Indian Stamp (Amendment) Act, 1910.

Short title.

2. In section 8, sub-section (1), of the <sup>2</sup>Indian Stamp Act, 1899 (hereinafter referred to as "the said Act"), for the words "eight annas per centum" the words "one per centum" shall be substituted.

Amendment of Act II, 1899, section 8.

3. In Schedule I of the said Act the following amendments shall be made, namely:—

Amendment of Act II, 1899, Schedule I.

(i) For Article No. 5 the following shall be substituted, namely:—

### "5. AGREEMENT OR MEMORANDUM OF AN AGREEMENT—

(a) if relating to the sale of a bill of exchange; . . . . . Two annas.

(b) if relating to the sale of a Government security or share in an incorporated company or other body corporate; . . . . . Subject to a maximum of ten rupees, one anna for every Rs. 10,000 or part thereof of the value of the security or share.

(c) if not otherwise provided for . . . . . Eight annas.

<sup>1</sup> For Statement of Objects and Reasons, see Gazette of India, 1910, Pt. V, p. 32; and for Proceedings in Council, see *ibid*, 1910, Pt. VI, pp. 115 and 159, dated 12th March, 1910, and 19th March, 1910, respectively.

<sup>2</sup> Genl. Acts, Vol. V.



*Exemptions.*

## Agreement or memorandum of agreement—

- (a) for or relating to the sale of goods or merchandise exclusively, not being a NOTE OR MEMORANDUM chargeable under No. 43;
- (b) made in the form of tenders to the Government of India for or relating to any loan;
- (c) made under the <sup>1</sup>European Vagrancy Act, 1874, section 17.

IX of 1874.

2 \* \* \* \*

## (iii) For Article No. 27 the following shall be substituted, namely:—

“ 27. DEBENTURE (whether a mortgage debenture or not), being a marketable security transferable—

- (a) by endorsement or by a separate instrument of transfer;
- (b) by delivery . . . . .

The same duty as a Bond (No. 15) for the same amount.

The same duty as a Conveyance (No. 23) for a consideration equal to the face amount of the debenture.

*Explanation.*—The term ‘Debenture’ includes any interest coupons attached thereto, but the amount of such coupons shall not be included in estimating the duty.

*Exemption.*

A debenture issued by an incorporated company or other body corporate in terms of a registered mortgage deed, duly stamped in respect of the full amount of debentures to be issued thereunder, whereby the company or body borrowing makes over, in whole or in part, their property to trustees for the benefit of the debenture-holders: provided that the debentures so issued are expressed to be issued in terms of the said mortgage deed.

See also BOND (No. 15), and SECTIONS 8 and 55.”

## (iv) For Article No. 43 the following shall be substituted, namely:—

“ 43. NOTE OR MEMORANDUM sent by a Broker or Agent to his principal intimating the purchase or sale on account of such principal—

- (a) of any goods exceeding in value twenty rupees;
- (b) of any stock or marketable security exceeding in value twenty rupees.

Two annas.

Subject to a maximum of ten rupees, one anna for every Rs. 10,000 or part thereof of the value of the stock or security.”

<sup>1</sup> Genl. Acts, Vol. II.

<sup>2</sup> Section 3 (ii) was virtually repealed by sec. 2 of the Indian Stamp (Amendment) Act, 1912 (1 of 1912), *infra*, p. 203. It has since been repealed by the Repealing and Amending Act, 1914 (10 of 1914), Sch. II.

- (v) In Article No. 59, in the second column, for the words "Three-quarters of" the words "One-and-a-half times" and in the *Exemption*, for the word "three-quarters" each time it occurs, the words "one-and-a-half" shall be substituted.
- (vi) In Article No. 62, in the second column, for the word "one-quarter," where it occurs opposite clauses (a) and (b), the word "one-half" shall be substituted.

ACT No. VII OF 1910.<sup>1</sup>

[4th March, 1910.]

An Act further to amend the Court-fees Act, 1870.

VII of 1870. WHEREAS it is expedient further to amend the <sup>2</sup>Court-fees Act, 1870; It is hereby enacted as follows:—

1. This Act may be called the Court-fees (Amendment) Act, 1910. Short title.
- VII of 1870. 2. In Schedule I to the <sup>2</sup>Court-fees Act, 1870, as amended by the <sup>3</sup>Succession Amendment of Act VII, 1870, Schedule I.
- VII of 1889. Certificate Act, 1889, the following amendments shall be made, namely:—
- (i) in Article 11, for the entries in the second and third columns, the following shall be substituted, namely:—

When the amount or value of the property in respect of which the grant of probate or letters is made exceeds one thousand rupees, but does not exceed ten thousand rupees.	Two per centum on such amount or value.
When such amount or value exceeds ten thousand rupees, but does not exceed fifty thousand rupees.	Two and one-half per centum on such amount or value.
When such amount or value exceeds fifty thousand rupees.	Three per centum on such amount or value.
Provided that when, after the grant of a certificate under the <sup>3</sup> Succession Certificate Act, 1889, or under the Regulation of the Bombay Code No. VIII of 1827, in respect of any property included in an estate, a grant of probate or letters of administration is made in respect of the same estate, the fee payable in respect of the latter grant shall be reduced by the amount of the fee paid in respect of the former grant.	

VII of 1889.

<sup>1</sup> For Statement of Objects and Reasons, see Gazette of India, 1910, Pt. V, p. 34; and for Proceedings in Council, see *ibid.*, 1910, Pt. VI, pp. 117 and 163, dated 12th March, 1910, and 9th March, 1910, respectively.

<sup>2</sup> Genl. Acts, Vol. II.

<sup>3</sup> Genl. Acts, Vol. IV.

(ii) in Article 12A, for the entries in the second and third columns, the following shall be substituted, namely :—

(1) As regards debts and securities.	The same fee as would be payable in respect of a certificate under the Succession Certificate Act, 1889, or in respect of an extension of such a certificate, as the case may be.	VII of 1889.
(2) As regards other property in respect of which the certificate is granted—		
When the amount or value of such property exceeds one thousand rupees, but does not exceed ten thousand rupees.	Two per centum on such amount or value.	
When such amount or value exceeds ten thousand rupees, but does not exceed fifty thousand rupees.	Two and one-half per centum on such amount or value.	
When such amount or value exceeds fifty thousand rupees.	Three per centum on such amount or value.	

Exemption  
of certain  
probates,  
letters of  
administration  
and  
certificates.

3. Nothing in this Act shall apply to any probate, letters of administration or certificate in respect of which the fee payable under the law for the time being in force has been paid prior to the commencement of this Act, but which have not been issued.

ACT No. VIII OF 1910.<sup>1</sup>

[4th March, 1910.]

An Act further to amend the Indian Tariff Act, 1894.

WHEREAS it is expedient further to amend the <sup>2</sup>Indian Tariff Act, 1894 ; VIII of 1894  
It is hereby enacted as follows :—

Short title  
and com-  
mencement.

1. (1) This Act may be called the Indian Tariff (Amendment) Act, 1910 ;  
and

(2) It shall be deemed to have come into force on the 25th day of February, 1910.

Substitution  
of new Sched-  
ule for  
Schedule III,  
Act VIII,  
1894.

2. For Schedule III to the <sup>2</sup>Indian Tariff Act, 1894, as amended by the VIII of 189  
Indian Tariff Act (1894) Amendment Act, 1896, the Indian Tariff (Amend- III of 1896.  
ment) Act, 1906, and the Indian Tariff (Amendment) Act, 1908, the Schedule I of 1906.  
appended to this Act shall be substituted. II of 1908.

Amendment  
of Schedule  
IV, Act  
VIII, 1894.

3. In Schedule IV to the Indian Tariff Act, 1894, as amended by the Indian VIII of 189  
Tariff Act (1894) Amendment Act, 1896, the following amendments shall be III of 1896.  
made, namely :—

(i) In No. 11, the entries—

“ Tobacco, unmanufactured ”	..	..	Free.”
“ Tobacco, manufactured ”	..	ad valorem	Five per cent.” <sup>2</sup>

shall be omitted.

<sup>1</sup> For Statement of Objects and Reasons, see Gazette of India, 1910, Pt. V, p. 36 ; and for Proceedings in Council, see *ibid*, 1910, Pt. VI, pp. 118 and 168, dated 12th March, 1910, and 19th March, 1910, respectively.

<sup>2</sup> Genl. Acts, Vol. IV.

shall be omitted.

II of 1908.

*Liquors, Opium, Salt, Salted Fish, Tobacco and Silver.*

No.	Names of Articles.	Per	Rate of duty.
1	LIQUORS— Ale, beer and porter . . . . Cider and other fermented liquors . Liqueurs and sweetened spirits, cordials, bitters, perfumed spirits and toilet preparations containing spirit. Spirit which has been rendered effectually and permanently unfit for human consumption. Spirit used in drugs, medicines or chemicals.	} Imperial gallon or } six quart bottles. Do. .   <i>ad valorem</i> . .  Imperial gallon or six quart bottles of the strength of London proof.	<i>R</i> <i>a</i> . 0 3  13 0   Five per cent.  7 13 and the duty to be increased or reduced in proportion as the strength of the spirit exceeds or is less than London proof.
	• Spirit, other sorts . . . .	Do. .	9 6 and the duty to be increased or reduced in proportion as the strength of the spirit exceeds or is less than London proof.
	WINES— Champagne and all other sparkling wines not containing more than 42 per cent. of proof spirit. All other sorts of wines not containing more than 42 per cent. of proof spirit. Provided that all sparkling and still wines containing more than 42 per cent. of proof spirit shall be liable to duty at the rate applicable to spirit, other sorts.	Imperial gallon or six quart bottles.  Do. .  •	3 12  1 8
2	OPIMUM and its alkaloids . . . .	seer of 80 tolas .	24 0

SCHEDULE III.

(IMPORT TARIFF)—*concl'd.*

*Liquors, Opium, Salt, Salted Fish, Tobacco and Silver—concl'd.*

No.	Names of Articles.	Per	Rate of duty.
3	SALT . . . . .	Indian maund of 82½ lbs. avoirdupois weight.	The rate at which <del>excise</del> duty is for the time being leviable on salt manufactured in the place where the import takes place.
4	SALTED FISH, wet or dry . . . . .	Do. . . . .	Such rate or rates of duty not exceeding twelve annas, as the Governor General in Council may, by notification in the Gazette of India, from time to time, prescribe.
15	TOBACCO—		<b>Rs a.</b>
	Unmanufactured . . . . .	pound . . . . .	1 0
	Cigars . . . . .	Do. . . . .	1 10
	Cigarettes weighing less than 3 lbs. per thousand.	thousand . . . . .	3 2
	Cigarettes weighing 3 lbs. or more per thousand.	pound . . . . .	1 4
	Manufactured, other sorts . . . . .	Do. . . . .	1 2
6	SILVER bullion or coin, except current coin of the Government of India, which is free.	ounce . . . . .	0 4

THE INDIAN ELECTRICITY ACT, 1910 (IX OF 1910).<sup>1</sup>

CONTENTS.

PART I.

*Preliminary.*

SECTIONS.

1. Short title, extent and commencement.
2. Definitions.

<sup>1</sup> Item No. 5 was substituted by sec. 2 of the Indian Tariff (Amendment) Act, 1911 (Act VI of 1911), *infra*.

## PART II.

## SUPPLY OF ENERGY.

*Licenses.*

## SECTIONS.

3. Grant of licenses.
4. Revocation or amendment of licenses.
5. Provisions where license of licensee, not being a local authority, is revoked.
6. Provisions where license of local authority is revoked.
7. Purchase of undertaking.
8. Provisions where no purchase and license revoked with consent of licensee.
9. Licensee not to purchase, or associate himself with, other licensed undertakings or transfer his undertaking.
10. General power for Government to vary terms of purchase.
11. Annual accounts of licensee.

*Works.*

12. Provisions as to the opening and breaking up of streets, railways and tramways.
13. Notice of new works.
14. Alteration of pipes or wires.
15. Laying of electric supply-lines or other works near sewers, pipes or other electric supply-lines or works.
16. Streets, railways, tramways, sewers, drains or tunnels broken up to be reinstated without delay.
17. Notice to telegraph-authority.
18. Aerial lines.
19. Compensation for damage.

*Supply.*

20. Power for licensee to enter premises and to remove fittings or other apparatus of licensee.
21. Restrictions on licensee's controlling or interfering with use of energy.
22. Obligation on licensee to supply energy.
23. Charges for energy to be made without undue preference.
24. Discontinuance of supply to consumer neglecting to pay charge.
25. Exemption of electric supply-lines or other apparatus from attachment in certain cases.
26. Meters.
27. Supply of energy outside area of supply.

## PART III.

## SUPPLY, TRANSMISSION AND USE OF ENERGY BY NON-LICENSEES.

## SECTIONS.

28. Sanction required by non-licensees in certain cases.
29. Power for non-licensees to break up streets.
30. Control of transmission and use of energy.

## PART IV.

## GENERAL.

*Protective Clauses.*

31. Protection of railways, and canals, docks, wharves and piers.
32. Protection of telegraphic, telephonic and electric signalling lines.
33. Notice of accidents and inquiries.
34. Prohibition of connection with earth, and power for Government to interfere in certain cases of default.

*Administration and Rules.*

35. Advisory Boards.
36. Appointment of Electric Inspectors.
37. Power for Government to make rules.
38. Further provisions respecting rules.

*Criminal Offences and Procedure.*

39. Theft of energy.
40. Penalty for maliciously wasting energy or injuring works.
41. Penalty for unauthorized supply of energy by non-licensees.
42. Penalty for illegal or defective supply or for non-compliance with order.
43. Penalty for illegal transmission or use of energy.
44. Penalty for interference with meters or licensee's works, and for improper use of energy.
45. Penalty for extinguishing public lamps.
46. Penalty for negligently wasting energy or injuring works.
47. Penalty for offences not otherwise provided for.
48. Penalties not to affect other liabilities.
49. Penalties where works belong to Government.
50. Institution of prosecutions.

*Supplementary.*

51. Exercise in certain cases of powers of telegraph-authority.
52. Arbitration.

## SECTIONS.

- 53. Service of notices, orders or documents.
  - 54. Recovery of sums recoverable under certain provisions of Act.
  - 55. Delegation of certain functions of Local Government to Electric-Inspectors.
  - 56. Protection for acts done in good faith.
  - 57. Amendment of the Land Acquisition Act, 1894.
  - 58. Repeals and savings.
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## THE SCHEDULE.

PROVISIONS TO BE DEEMED TO BE INCORPORATED WITH, AND TO FORM PART OF, EVERY LICENSE GRANTED UNDER PART II SO FAR AS NOT ADDED TO, VARIED OR EXCEPTED BY THE LICENSE.

*Security and accounts.*

- I. Security for execution of works of licensee not being local authority.
- II. Audit of accounts of licensee not being local authority.
- III. Separate accounts.

*Compulsory works and supply.*

- IV. Execution of work after commencement of license.
- V. Provisions as to laying down of further distributing mains.
- VI. Requisition for supply to owners or occupiers in vicinity.
- VII. Provisions as to laying electric supply-lines under special agreement.
- VIII. Supply for public lamps.

*Supply by bulk-licensees.*

- IX. Supply provisions applying to supply by bulk-licensees.

*Charges.*

- X. Methods of charging.
- XI. Maximum charges.
- XII. Charge for supply for public lamps.

*Testing and inspection.*

- XIII. Licensee to establish testing stations and keep instruments for testing.
- XIV. Facilities for testing.
- XV. Testing of works.



*Plans.*

XVI. Plan of area of supply to be made and kept open for inspection.

*Additional notice of certain works.*

XVII. Notice to Electric Inspector.

ACT No. IX OF 1910.<sup>1</sup>

[18th March, 1910.]

An Act to amend the law relating to the supply and use of electrical energy.

WHEREAS it is expedient to amend the law relating to the supply and use of electrical energy; It is hereby enacted as follows:—

## PART I.

## PRELIMINARY.

Short title,  
extent and  
commence-  
ment.

1. (1) This Act may be called the Indian Electricity Act, 1910.

(2) It extends to the whole of British India, inclusive of British Baluchistan and the Santhal Parganas; and

(3) It shall come into force on such date as the Governor General in Council may, by notification in the Gazette of India, direct in this behalf.

Definitions.

2. In this Act, expressions defined in the <sup>2</sup>Indian Telegraph Act, 1885, XIII of 1885 have the meanings assigned to them in that Act, and, unless there is anything repugnant in the subject or context,—

- (a) “aërial line” means any electric supply line which is placed above ground and in the open air:
- (b) “area of supply” means the area within which alone a licensee is for the time being authorised by his license to supply energy:
- (c) “consumer” means any person who is supplied with energy by a licensee, or whose premises are for the time being connected for the purposes of a supply of energy with the works of a licensee:
- (d) “daily fine” means a fine for each day on which an offence is continued after conviction therefor:
- (e) “distributing main” means the portion of any main with which a service line is, or intended to be, immediately connected:

<sup>1</sup> For Statement of Objects and Reasons, see Gazette of India, 1909, Pt. V, p. 87; for Report of Select Committee, see *ibid.*, 1910, Pt. V, p. 39; and for Proceedings in Council, see *ibid.*, 1909, Pt. VI, p. 152, and *ibid.*, 1910, Pt. VI, pp. 12, 157 and 275, dated 5th February, 1910, 19th March, 1910, and 9th April, 1910, respectively.

<sup>2</sup> The Act was brought into force on the 1st January, 1911, see Gazette of India, 1910, Pt. I, p. 1236.

<sup>3</sup> Cent. Acts, Vol. III.

- (f) "electric supply-line" means a wire, conductor or other means used for conveying, transmitting or distributing energy together with any casing, coating, covering, tube, pipe or insulator enclosing, surrounding or supporting the same or any part thereof, or any apparatus connected therewith for the purpose of so conveying, transmitting or distributing such energy :
- (g) "energy" means electrical energy when generated, transmitted, supplied or used for any purpose except the transmission of a message :
- (h) "licensee" means any person licensed under Part II to supply energy :
- (i) "main" means any electric supply-line through which energy is, or is intended to be, supplied by a licensee to the public :
- (j) "prescribed" means prescribed by rules made under this Act :
- (k) "public lamp" means an electric-lamp used for the lighting of any street :
- (l) "service line" means any electric supply-line through which energy is, or is intended to be, supplied by a licensee to a consumer either from a distributing main or immediately from the licensee's premises :
- (m) "street" includes any way, road, lane, square, court, alley, passage or open space, whether a thoroughfare or not, over which the public have a right of way, and also the roadway and footway over any public bridge or causeway : and
- (n) "works" includes electric supply-lines and any buildings, machinery or apparatus required to supply energy and to carry into effect the objects of a license granted under Part II.

## PART II.

### SUPPLY OF ENERGY.

#### *Licenses.*

3. (1) The Local Government may, on application made in the prescribed form and on payment of the prescribed fee (if any), grant to any person a license to supply energy in any specified area, and also to lay down or place electric supply-lines for the conveyance and transmission of energy,—

- (a) where the energy to be supplied is to be generated outside such area, from a generating station situated outside such area to the boundary of such area, or
- (b) where energy is to be conveyed or transmitted from any place in such area to any other place therein, across an intervening area not included therein, across such area.

(2) In respect of every such license and the grant thereof the following provisions shall have effect, namely :—

- (a) any person applying for a license under this Part shall publish a notice of his application in the prescribed manner and with the prescribed particulars, and the license shall not be granted—
  - (i) until all objections received by the Local Government with reference thereto have been considered by it :  
 Provided that no objection shall be so considered unless it is received before the expiration of three months from the date of the first publication of such notice as aforesaid ; and
  - (ii) until, in the case of an application for a license for an area including the whole or any part of any cantonment, fortress, arsenal, dockyard or camp or of any building or place in the occupation of the Government for naval or military purposes, the Local Government has ascertained that there is no objection to the grant of the license on the part of the General Officer Commanding the Division ;
- (b) where an objection is received from any local authority concerned, the Local Government shall, if in its opinion the objection is insufficient, record in writing, and communicate to such local authority its reasons for such opinion ;
- (c) no application for a license under this Part shall be made by any local authority except in pursuance of a resolution passed at a meeting of such authority held after one month's previous notice of the same and of the purpose thereof has been given in the manner in which notices of meetings of such local authority are usually given ;
- (d) a license under this Part—
  - (i) may prescribe such terms as to the limits within which, and the conditions under which, the supply of energy is to be compulsory or permissive, and as to the limits of price to be charged in respect of the supply of energy, and generally as to such matters as the Local Government may think fit ; and
  - (ii) save in cases in which under section 10, clause (b), the provisions of sections 5 and 7, or either of them, have been declared not to apply, every such license shall declare whether any generating station to be used in connection with the undertaking shall or shall not form part of the undertaking for the purpose of purchase under section 5 or section 7 ;
- (e) the grant of a license under this Part for any purpose shall not in any way hinder or restrict the grant of a license to another person within the same area of supply for a like purpose ;
- (f) the provisions contained in the Schedule shall be deemed to be incorporated with, and to form part of, every license granted under

this Part, save in so far as they are expressly added to, varied or excepted by the license, and shall, subject to any such additions, variations or exceptions which the Local Government is hereby empowered to make, apply to the undertaking authorised by the license :

Provided that, where a license is granted in accordance with the provisions of clause IX of the Schedule for the supply of energy to other licensees for distribution by them, then, in so far as such license relates to such supply, the provisions of clauses IV, V, VI, VII, VIII and XII of the Schedule shall not be deemed to be incorporated with the license.

(3) The exercise of the powers conferred on the Local Government by this section shall be subject to the control of the Governor General in Council.

4. (1) The Local Government may, if in its opinion the public interest so requires, revoke a license in any of the following cases, namely :—

Revocation  
or amend-  
ment of  
licenses.

- (a) where the licensee, in the opinion of the Local Government, makes wilful and unreasonably prolonged default in doing anything required of him by or under this Act ;
- (b) where the licensee breaks any of the terms or conditions of his license the breach of which is expressly declared by such license to render it liable to revocation ;
- (c) where the licensee fails, within the period fixed in this behalf by his license or any longer period which the Local Government may substitute therefor by order under sub-section (3), clause (b), and before exercising any of the powers conferred on him thereby in relation to the execution of works,—
  - (i) to show, to the satisfaction of the Local Government, that he is in a position fully and efficiently to discharge the duties and obligations imposed on him by his license, or
  - (ii) to make the deposit or furnish the security required by his license ;
- (d) where the licensee is, in the opinion of the Local Government, unable, by reason of his insolvency, fully and efficiently to discharge the duties and obligations imposed on him by his license.

(2) Where the Local Government might, under sub-section (1), revoke a license, it may, instead of revoking the license, permit it to remain in force subject to such further terms and conditions as it thinks fit to impose, and any further terms or conditions so imposed shall be binding upon, and be observed by, the licensee, and shall be of like force and effect as if they were contained in the license.

(3) Where in its opinion the public interest so permits, the Local Government may, on the application or with the consent of the licensee, and, if the

licensee is not a local authority, after consulting the local authority (if any) concerned,—

- (a) revoke a license as to the whole or any part of the area of supply upon such terms and conditions as it thinks fit, or
- (b) make such alterations or amendments in the terms and conditions of a license, including the provisions specified in section 3, sub-section (2), clause (f), as it thinks fit.

Provisions  
where li-  
cense of  
licensee, not  
being a  
local  
authority, is  
revoked.

**5.** Where the Local Government revokes, under section 4, sub-section (1), the license of a licensee, not being a local authority, the following provisions shall have effect, namely :—

- (a) the Local Government shall serve a notice of the revocation upon the licensee, and, where the whole of the area of supply is included in the area for which a single local authority is constituted, upon that local authority also, and shall in the notice fix a date on which the revocation shall take effect ; and on and with effect from that date, all the powers and liabilities of the licensee under this Act shall absolutely cease and determine ;
- (b) where a notice has been served on a local authority under clause (a), the local authority may, within three months after the service of the notice, and with the written consent of the Local Government, by notice in writing, require the licensee to sell, and thereupon the licensee shall sell, the undertaking to the local authority on payment of the value of all lands, buildings, works, materials and plant of the licensee suitable to, and used by him for, the purposes of the undertaking, other than a generating station declared by the license not to form part of the undertaking for the purpose of purchase, such value to be, in case of difference or dispute, determined by arbitration :

Provided that the value of such lands, buildings, works, materials and plant shall be deemed to be their fair market-value at the time of purchase, due regard being had to the nature and condition for the time being of such lands, buildings, works, materials and plant, and to the state of repair thereof, and to the circumstance that they are in such a position as to be ready for immediate working, and to the suitability of the same for the purposes of the undertaking, but without any addition in respect of compulsory purchase or of goodwill or of any profits which may be or might have been made from the undertaking, or of any similar considerations ;

- (c) where no purchase has been effected by the local authority under clause (b), and any other person is willing to purchase the undertaking, the Local Government may, if it thinks fit, with the consent of the licensee, or without the consent of the licensee in case the

price is not less than that for which the local authority might have purchased the same, require the licensee to sell, and thereupon the licensee shall sell, the undertaking to such other person ;

- (d) where no purchase has been effected under clause (b) or clause (c) within such time as the Local Government may consider reasonable, or where the whole of the area of supply is not included in the area for which a single local authority is constituted, the Local Government shall have the option of purchasing the undertaking and, if the Local Government elects to purchase, the licensee shall sell the undertaking to the Local Government upon terms and conditions similar to those set forth in clause (b) ;

- (e) where a purchase has been effected under any of the preceding clauses,—

- (i) the undertaking shall vest in the purchasers free from any debts, mortgages or similar obligations of the licensee or attaching to the undertaking :

Provided that any such debts, mortgages or similar obligations shall attach to the purchase-money in substitution for the undertaking ; and

- (ii) the revocation of the license shall extend only to the revocation of the rights, powers, authorities, duties and obligations of the licensee from whom the undertaking is purchased, and, save as aforesaid, the license shall remain in full force, and the purchaser shall be deemed to be the licensee :

Provided that where the Local Government elects to purchase under clause (d), the license shall, after purchase, in so far as the Local Government is concerned, cease to have any further operation ;

- (f) where no purchase has been effected under any of the foregoing clauses, the licensee shall have the option of disposing of all lands, buildings, works, materials and plant belonging to the undertaking in such manner as he may think fit :

Provided that, if the licensee does not exercise such option within a period of six months from the date on which the same became exerciseable, the Local Government may forthwith cause the works of the licensee in, under, over, along or across any street to be removed and every such street to be reinstated, and recover the cost of such removal and reinstatement from the licensee ;

- (g) if the licensee has been required to sell the undertaking, and if the sale has not been completed by the date fixed in the notice issued under clause (a), the purchaser may, with the previous sanction of the Local Government, work the undertaking pending the completion of the sale.

Provisions  
where license  
of local  
authority is  
revoked.

6. (1) Where the Local Government revokes the license of a local authority under section 4, sub-section (1), and any person is willing to purchase the undertaking, the Local Government may, if it thinks fit, require the local authority to sell, and thereupon the local authority shall sell, the undertaking to such person on such terms as the Local Government thinks just.

(2) Where no purchase has been effected under sub-section (1), the licensee shall have the option of disposing of all lands, buildings, works, materials and plant belonging to the undertaking in such manner as he may think fit:

Provided that, if the licensee does not exercise such option within a period of six months from the date on which the same became exercisable, the Local Government may forthwith cause the works of the licensee in, under, over, along or across any street to be removed and every such street to be reinstated, and recover the cost of such removal and reinstatement from the licensee.

Purchase of  
undertaking.

7. (1) Where a license has been granted to any person not being a local authority, and the whole of the area of supply is included in the area for which a single local authority is constituted, the local authority shall, on the expiration of such period, not exceeding fifty years, and of every such subsequent period, not exceeding twenty years, as shall be specified in this behalf in the license, have the option of purchasing the undertaking, and, if the local authority, with the previous sanction of the Local Government, elects to purchase, the licensee shall sell the undertaking to the local authority on payment of the value of all lands, buildings, works, materials and plant of the licensee suitable to, and used by him for, the purposes of the undertaking, other than a generating station declared by the license not to form part of the undertaking for the purpose of purchase, such value to be, in case of difference or dispute, determined by arbitration:

Provided that the value of such lands, buildings, works, materials and plant shall be deemed to be their fair market-value at the time of purchase, due regard being had to the nature and condition for the time being of such lands, buildings, works, materials and plant, and to the state of repair thereof and to the circumstance that they are in such a position as to be ready for immediate working, and to the suitability of the same for the purposes of the undertaking:

Provided also that there shall be added to such value as aforesaid such percentage, if any, not exceeding twenty per centum on that value as may be specified in the license, on account of compulsory purchase.

(2) Where—

- (a) the local authority does not elect to purchase under sub-section (1), or
- (b) the whole of the area of supply is not included in the area for which a single local authority is constituted, or
- (c) a licensee supplies energy from the same generating station to two or more areas of supply, each controlled by its own local authority and has been granted a license in respect of each area of supply

the Local Government shall have the like option upon the like terms and conditions.

(3) Where a purchase has been effected under sub-section (1) or sub-section (2),—

(a) the undertaking shall vest in the purchasers free from any debts, mortgages or similar obligations of the licensee or attaching to the undertaking :

Provided that any such debts, mortgages or similar obligations shall attach to the purchase-money in substitution for the undertaking ; and

(b) save as aforesaid, the license shall remain in full force, and the purchaser shall be deemed to be the licensee :

Provided that where the Local Government elects to purchase under sub-section (2), the license shall, after purchase, in so far as the Local Government is concerned, cease to have any further operation.

(4) Not less than two years' notice in writing of any election to purchase under this section shall be served upon the licensee by the local authority or the Local Government, as the case may be.

(5) Notwithstanding anything hereinbefore contained, a local authority may, with the previous sanction of the Local Government, waive its option to purchase and enter into an agreement with the licensee for the working by him of the undertaking until the expiration of the next subsequent period referred to in sub-section (1), upon such terms and conditions as may be stated in such agreement.

8. Where, on the expiration of any of the periods referred to in section 7, sub-section (1), neither a local authority nor the Local Government purchases the undertaking, and the license is, on the application or with the consent of the licensee, revoked, the licensee shall have the option of disposing of all lands, buildings, works, materials and plant belonging to the undertaking in such manner as he may think fit : Provisions where no purchase and license revoked with consent of licensee.

Provided that, if the licensee does not exercise such option within a period of six months, the Local Government may proceed to take action as provided in section 5, clause (f), proviso.

9. (1) The licensee shall not, at any time without the previous consent in writing of the Local Government, acquire, by purchase or otherwise, the license or the undertaking of, or associate himself so far as the business of supplying energy is concerned with, any person supplying, or intending to supply, energy under any other license, and, before applying for such consent, the licensee shall give not less than one month's notice of the application to every local authority, both in the licensee's area of supply, and also in the area or district in which such other person supplies, or intends to supply, energy : Licensee not to purchase, or associate himself with, other licensed undertakings or transfer his undertaking.



Provided that nothing in this sub-section shall be construed to require the consent of the Local Government for the supply of energy by one licensee to another in accordance with the provisions of clause IX of the Schedule.

(2) The licensee shall not at any time assign his license or transfer his undertaking, or any part thereof, by sale, mortgage, lease, exchange or otherwise without the previous consent in writing of the Local Government.

(3) Any agreement relating to any transaction of the nature described in sub-section (1) or sub-section (2), unless made with, or subject to, such consent as aforesaid, shall be void.

General  
power for  
Government  
to vary terms  
of purchase.

10. Notwithstanding anything in sections 5, 7 and 8, the Local Government may, with the previous sanction of the Governor General in Council, in any license to be granted under this Act,—

- (a) vary the terms and conditions upon which, and the periods on the expiration of which, the licensee shall be bound to sell his undertaking, or
- (b) direct that, subject to such conditions and restrictions (if any) as it may think fit to impose, the provisions of the said sections or any of them shall not apply.

Annual  
accounts of  
licensee.

11. (1) Every licensee shall, unless expressly exempted from the liability by his license, or by order in writing of the Local Government, prepare and render to the Local Government or to such authority as the Local Government may appoint in this behalf, on or before the prescribed date in each year, an annual statement of accounts of his undertaking made up to such date, in such form, and containing such particulars, as may be prescribed in this behalf.

(2) The licensee shall keep copies of such annual statement at his office, and sell the same to any applicant at a price not exceeding five rupees per copy.

#### Works.

Provisions  
as to the  
opening and  
breaking up  
of streets,  
railways and  
tramways.

12. (1) Any licensee may, from time to time but subject always to the terms and conditions of his license, within the area of supply, or when permitted by the terms of his license to lay down or place electric supply-lines without the area of supply, without that area—

- (a) open and break up the soil and pavement of any street, railway or tramway ;
- (b) open and break up any sewer, drain or tunnel in or under any street, railway or tramway ;
- (c) lay down and place electric supply-lines and other works ;
- (d) repair, alter or remove the same ; and
- (e) do all other acts necessary for the due supply of energy.

(2) Nothing contained in sub-section (1) shall be deemed to authorise or empower a licensee, without the consent of the local authority or of the owner and occupier concerned, as the case may be, to lay down or place any electric

supply-line or other work in, through or against any building, or on, over or under any land not dedicated to public use whereon, wherever or whereunder any electric supply-line or work has not already been lawfully laid down or placed by such licensee :

Provided that any support of an aerial line or any stay or strut required for the sole purpose of securing in position any support of an aerial line may be fixed on any building or land or, having been so fixed, may be altered, notwithstanding the objection of the owner or occupier of such building or land, if the District Magistrate or, in a Presidency-town or Rangoon, the Commissioner of Police by order in writing so directs :

Provided, also, that, if at any time the owner or occupier of any building or land on which any such support, stay or strut has been fixed shows sufficient cause, the District Magistrate or, in a Presidency-town or Rangoon, the Commissioner of Police may by order in writing direct any such support, stay or strut to be removed or altered.

(3) When making an order under sub-section (2), the District Magistrate or the Commissioner of Police, as the case may be, shall fix the amount of compensation or of annual rent, or of both, which should in his opinion be paid by the licensee to the owner or occupier.

(4) Every order made by a District Magistrate or a Commissioner of Police under sub-section (2) shall be subject to revision by the Local Government.

(5) Nothing contained in sub-section (1) shall be deemed to authorise or empower any licensee to open or break up any street not repairable by the Government or a local authority, or any railway or tramway, except such streets, railways or tramways (if any), or such parts thereof, as he is specially authorised to break up by his license, without the written consent of the person by whom the street is repairable or of the person for the time being entitled to work the railway or tramway, unless with the written consent of the Local Government :

Provided that the Local Government shall not give any such consent as aforesaid, until the licensee has given notice by advertisement or otherwise as the Local Government may direct, and within such period as the Local Government may fix in this behalf, to the person above referred to, and until all representations or objections received in accordance with the notice have been considered by the Local Government.

**13.** (1) Where the exercise of any of the powers of a licensee in relation to the execution of any works involves the placing of any works in, under, over, along or across any street, part of a street, railway, tramway, canal or waterway, the following provisions shall have effect, namely :—

- (a) not less than one month before commencing the execution of the works (not being a service line immediately attached, or intended to be immediately attached, to a distributing main, or the repair, renewal or amendment of existing works of which the character or position is not to be altered), the licensee shall serve upon the

Notice of  
new works.

person responsible for the repair of the street or part of a street (hereinafter in this section referred to as "the repairing authority") or upon the person for the time being entitled to work the railway, tramway, canal or waterway (hereinafter in this section referred to as "the owner"), as the case may be, a notice in writing describing the proposed works, together with a section and plan thereof on a scale sufficiently large to show clearly the details of the proposed works, and not in any case smaller than one inch to eight feet vertically and sixteen inches to the mile horizontally and intimating the manner in which, and the time at which, it is proposed to interfere with or alter any existing works, and shall, upon being required to do so by the repairing authority or owner, as the case may be, from time to time give such further information in relation thereto as may be desired ;

- (b) if the repairing authority intimates to the licensee that it disapproves of such works, section or plan, or approves thereof subject to amendment, the licensee may, within one week of receiving such intimation, appeal to the Local Government, whose decision, after considering the reasons given by the repairing authority for its action, shall be final ;
- (c) if the repairing authority fails to give notice in writing of its approval or disapproval to the licensee within one month, it shall be deemed to have approved of the works, section and plan, and the licensee, after giving not less than forty-eight hours' notice in writing to the repairing authority, may proceed to carry out the works in accordance with the notice and the section and plan served under clause (a) ;
- (d) if the owner disapproves of such works, section or plan, or approves thereof subject to amendment, he may, within three weeks after the service of the notice under clause (a), serve a requisition upon the licensee demanding that any question in relation to the works or to compensation, or to the obligations of the owner to others in respect thereof, shall be determined by arbitration, and thereupon the matter shall, unless settled by agreement, be determined by arbitration ;
- (e) where no requisition has been served by the owner upon the licensee under clause (d), within the time named, the owner shall be deemed to have approved of the works, section and plan, and in that case, or where after a requisition for arbitration the matter has been determined by arbitration, the works may, upon payment or securing of compensation, be executed according to the notice and the section and plan, subject to such modifications as may have been determined by arbitration or agreed upon between the parties ;

- (f) where the works to be executed consist of the laying of any underground service-line immediately attached, or intended to be immediately attached, to a distributing main, the licensee shall give to the repairing authority or the owner, as the case may be, not less than forty-eight hours' notice in writing of his intention to execute such works ;
- (g) where the works to be executed consist of the repair, renewal or amendment of existing works of which the character or position is not to be altered, the licensee shall, except in cases of emergency, give to the repairing authority, or to the owner, as the case may be, not less than forty-eight hours' notice in writing of his intention to execute such works, and, on the expiry of such notice, such works shall be commenced forthwith and shall be carried on with all reasonable despatch, and, if possible, both by day and by night until completed.

(2) Where the licensee makes default in complying with any of these provisions, he shall make full compensation for any loss or damage incurred by reason thereof, and, where any difference or dispute arises as to the amount of such compensation, the matter shall be determined by arbitration.

(3) Notwithstanding anything in this section, the licensee may, in case of emergency due to the breakdown of an underground electric supply-line after giving notice in writing to the repairing authority or the owner, as the case may be, of his intention to do so, place an aerial line without complying with the provisions of sub-section (1) :

Provided that such aerial line shall be used only until the defect in the underground electric supply-line can be made good, and in no case (unless with the written consent of the Local Government) for a period exceeding six weeks, and shall be removed as soon as may be after such defect is removed.

**14.** (1) Any licensee may alter the position of any pipe (not forming, in a case where the licensee is not a local authority, part of a local authority's main sewer), or of any wire under or over any place which he is authorised to open or break up, if such pipe or wire is likely to interfere with the exercise of his powers under this Act ; and any person may alter the position of any electric supply-lines or works of a licensee under or over any such place as aforesaid, if such electric supply-lines or works are likely to interfere with the lawful exercise of any powers vested in him. Alteration of pipes or wires.

(2) In any such case as aforesaid the following provisions shall, in the absence of an agreement to the contrary between the parties concerned, apply, namely :—

- (a) not less than one month before commencing any alteration, the licensee or other person desiring to make the same (hereinafter in this section referred to as "the operator") shall serve upon the person for the time being entitled to the pipe, wire, electric supply-lines

or works as the case may be (hereinafter in this section referred to as "the owner"), a notice in writing, describing the proposed alteration, together with a section and plan thereof on a scale sufficiently large to show clearly the details of the proposed works, and not in any case smaller than one inch to eight feet vertically and sixteen inches to the mile horizontally, and intimating the time when it is to be commenced, and shall subsequently give such further information in relation thereto as the owner may desire ;

- (b) within fourteen days after the service of the notice, section and plan upon the owner, the owner may serve upon the operator a requisition to the effect that any question arising upon the notice, section or plan shall be determined by arbitration, and thereupon the matter shall, unless settled by agreement, be determined by arbitration ;
- (c) every arbitrator to whom a reference is made under clause (b) shall have regard to any duties or obligations which the owner is under, and may require the operator to execute any temporary or other works so as to avoid, as far as possible, interference therewith ;
- (d) where no requisition is served upon the operator under clause (b) within the time named, or where such a requisition has been served and the matter has been settled by agreement or determined by arbitration, the alteration may, upon payment or securing of any compensation accepted or determined by arbitration, be executed in accordance with the notice, section and plan and subject to such modifications as may have been determined by arbitration or agreed upon between the parties ;
- (e) the owner may, at any time before the operator is entitled to commence the alteration, serve upon the operator a statement in writing to the effect that he desires to execute the alteration himself and requires the operator to give such security for the repayment of any expenses as may be agreed upon or, in default of agreement, determined by arbitration ;
- (f) where a statement is served upon the operator under clause (e), he shall, not less than forty-eight hours before the execution of the alteration is required to be commenced, furnish such security and serve upon the owner a notice in writing intimating the time when the alteration is required to be commenced, and the manner in which it is required to be made ; and thereupon the owner may proceed to execute the alteration as required by the operator ;
- (g) where the owner declines to comply, or does not, within the time and in the manner prescribed by a notice served upon him under clause (f), comply with the notice, the operator may himself execute the alteration ;

- (h) all expenses properly incurred by the owner in complying with a notice served upon him by the operator under clause (f) may be recovered by him from the operator.

(3) Where the licensee or other person desiring to make the alteration makes default in complying with any of these provisions, he shall make full compensation for any loss or damage incurred by reason thereof, and, where any difference or dispute arises as to the amount of such compensation, the matter shall be determined by arbitration.

**15.** (1) Where—

- (a) the licensee requires to dig or sink any trench for laying down any new electric supply-lines or other works, near to which any sewer, drain, water-course or work under the control of the Local Government or of any local authority, or any pipe, syphon, electric supply-line or other work belonging to any duly authorised person, has been lawfully placed, or
- (b) any duly authorised person requires to dig or sink any trench for laying down or constructing any new pipes or other works, near to which any electric supply-lines or works of a licensee have been lawfully placed,

Laying of electric supply-lines or other works near sewers, pipes or other electric supply-lines or works.

the licensee or such duly authorised person, as the case may be (hereinafter in this section referred to as "the operator"), shall, unless it is otherwise agreed upon between the parties interested or in case of sudden emergency, give to the Local Government or local authority, or to such duly authorised person or to the licensee, as the case may be (hereinafter in this section referred to as "the owner"), not less than forty-eight hours' notice in writing before commencing to dig or sink the trench, and the owner shall have the right to be present during the execution of the work, which shall be executed to the reasonable satisfaction of the owner.

(2) Where the operator finds it necessary to undermine, but not to alter, the position of any pipe, electric supply-line or work, he shall support it in position during the execution of the work, and before completion shall provide a suitable and proper foundation for it where so undermined.

(3) Where the operator (being the licensee) lays any electric supply-line across, or so as to be liable to touch, any pipes, lines or service-pipes or service-lines belonging to any duly authorised person or to any person supplying, transmitting or using energy under this Act, he shall not, except with the written consent of such person and in accordance with section 34, sub-section (1), lay his electric supply-lines so as to come into contact with any such pipes, lines or service-pipes or service-lines.

(4) Where the operator makes default in complying with any of the provisions of this section, he shall make full compensation for any loss or damage incurred by reason thereof.

(5) Where any difference or dispute arises under this section, the matter shall be determined by arbitration.

(6) Where the licensee is a local authority, the references in this section to the local authority and to sewers, drains, water-courses or works under its control shall not apply.

Streets,  
railways,  
tramways,  
sowers,  
drains or  
tunnels  
broken up to  
be reinstated  
without  
delay.

**16.** (1) Where any person, in exercise of any of the powers conferred by or under this Act, opens or breaks up the soil or pavement of any street, railway or tramway, or any sewer, drain or tunnel, he shall—

- (a) immediately cause the part opened or broken up to be fenced and guarded ;
- (b) before sunset cause a light or lights, sufficient for the warning of passengers, to be set up and maintained until sunrise against or near the part opened or broken up ;
- (c) with all reasonable speed fill in the ground and reinstate and make good the soil or pavement, or the sewer, drain or tunnel, opened or broken up, and carry away the rubbish occasioned by such opening or breaking up ; and,
- (d) after reinstating and making good the soil or pavement, or the sewer, drain or tunnel broken or opened up, keep the same in good repair for three months and for any further period, not exceeding nine months, during which subsidence continues.

(2) Where any person fails to comply with any of the provisions of sub-section (1), the person having the control or management of the street, railway, tramway, sewer, drain or tunnel in respect of which the default has occurred, may cause to be executed the work which the defaulter has delayed or omitted to execute, and may recover from him the expenses incurred in such execution.

(3) Where any difference or dispute arises as to the amount of the expenses incurred under sub-section (2), the matter shall be determined by arbitration.

Notice to  
telegraph-  
authority.

**17.** (1) A licensee shall, before laying down or placing, within ten yards of any part of any telegraph-line, any electric supply-line or other works (not being service-lines immediately attached or intended to be immediately attached to a distributing main, or electric supply-lines for the repair, renewal or amendment of existing works of which the character or position is not to be altered), give not less than ten days' notice in writing to the telegraph-authority specifying—

- (a) the course of the works or alteration proposed,
- (b) the manner in which the works are to be utilised,
- (c) the amount and nature of the energy to be transmitted, and
- (d) the extent to, and manner in, which (if at all) earth returns are to be used ;

and the licensee shall conform with such reasonable requirements, either general or special, as may be laid down by the telegraph-authority within that period for preventing any telegraph-line from being injuriously affected by such works or alterations :

Provided that, in case of emergency (which shall be stated by the licensee in writing to the telegraph-authority) arising from defects in any of the electric supply-lines or other works of the licensee, the licensee shall be required to give only such notice as may be possible after the necessity for the proposed new works or alterations has arisen.

(2) Where the works to be executed consist of the laying of any underground service-line immediately attached or intended to be immediately attached, to a distributing main, the licensee shall, not less than forty-eight hours before commencing the work, serve upon the telegraph-authority a notice in writing of his intention to execute such works.

**18.** (1) Save as provided in section 13, sub-section (3), nothing in this Aërial lines. Part shall be deemed to authorise or empower a licensee to place any aërial line along or across any street, railway, tramway, canal or waterway unless and until the Local Government has communicated to him a general approval in writing of the methods of construction which he proposes to adopt :

Provided that the communication of such approval shall in no way relieve the licensee of his obligations with respect to any other consent required by or under this Act.

(2) Where any aërial line has been placed or maintained by a licensee in breach of the provisions of sub-section (1), the Local Government may require the licensee forthwith to remove the same, or may cause the same to be removed, and recover from the licensee the expenses incurred in such removal.

(3) Where any tree standing or lying near an aërial line interrupts or interferes with, or is likely to interrupt or interfere with, the conveyance or transmission of energy, a Magistrate of the first-class or, in a Presidency-town or Rangoon, the Commissioner of Police may, on the application of the licensee, cause the tree to be removed or otherwise dealt with as he thinks fit.

(4) When disposing of an application under sub-section (3), the Magistrate or Commissioner of Police, as the case may be, shall, in the case of any tree in existence before the placing of the aërial line, award to the person interested in the tree such compensation as he thinks reasonable, and such person may recover the same from the licensee.

**19.** (1) A licensee shall, in exercise of any of the powers conferred by or under this Act, cause as little damage, detriment and inconvenience as may be, and shall make full compensation for any damage, detriment or inconvenience caused by him or by any one employed by him. Compensation for damage.

(2) Save in the case provided for in section 12, sub-section (3), where any difference or dispute arises as to the amount or the application of such compensation, the matter shall be determined by arbitration.

### *Supply.*

**20.** (1) A licensee or any person duly authorised by a licensee may, at any reasonable time, and on informing the occupier of his intention, enter any Power for licensee to enter



premises and to remove fittings or other apparatus of licensee. premises to which energy is or has been supplied by him, for the purpose of—

- (a) inspecting and testing the electric supply-lines, meters, fittings, works and apparatus for the supply of energy belonging to the licensee ; or
- (b) ascertaining the amount of energy supplied or the electrical quantity contained in the supply ; or
- (c) removing where a supply of energy is no longer required, or where the licensee is authorised to take away and cut off such supply, any electric supply-lines, fittings, works or apparatus belonging to the licensee.

(2) A licensee or any person authorised as aforesaid may also, in pursuance of a special order in this behalf made by the District Magistrate or, in a Presidency-town or Rangoon, by the Commissioner of Police, and after giving not less than twenty-four hours' notice in writing to the occupier, enter any premises to which energy is or has been supplied, or is to be supplied, by him for the purpose of examining and testing the electric-wires, fittings, works and apparatus for the use of energy belonging to the consumer.

Restrictions on licensee's controlling or interfering with use of energy.

**21.** (1) A licensee shall not be entitled to prescribe any special form of appliance for utilising energy supplied by him, or, save as provided by section 23, sub-section (2), or by section 26, sub-section (7), in any way to control or interfere with the use of such energy :

Provided that no person may adopt any form of appliance, or use the energy supplied to him, so as unduly or improperly to interfere with the supply by the licensee of energy to any other person.

(2) Where any difference or dispute arises as to whether a licensee has prescribed any appliance or controlled or interfered with the use of energy in contravention of sub-section (1), the matter shall be either referred to an Electric Inspector and decided by him or, if the licensee or consumer so desires, determined by arbitration.

Obligation on licensee to supply energy.

**22.** Where energy is supplied by a licensee, every person within the area of supply shall, except in so far as is otherwise provided by the terms and conditions of the license, be entitled, on application, to a supply on the same terms as those on which any other person in the same area is entitled in similar circumstances to a corresponding supply :

Provided that no person shall be entitled to demand, or to continue to receive, from a licensee a supply of energy for any premises having a separate supply unless he has agreed with the licensee to pay to him such minimum annual sum as will give him a reasonable return on the capital expenditure, and will cover other standing charges incurred by him in order to meet the possible maximum demand for those premises, the sum payable to be determined in case of difference or dispute by arbitration.

Charges for energy to

**23.** (1) A licensee shall not, in making any agreement for the supply of energy, show undue preference to any person, but may, save as aforesaid,

make such charges for the supply of energy as may be agreed upon, not exceeding the limits imposed by his license. be made without undue preference.

(2) No consumer shall, except with the consent in writing of the licensee, use energy supplied to him under one method of charging in a manner for which a higher method of charging is in force.

24. Where any person neglects to pay any charge for energy or any other sum due from him to a licensee in respect of the supply of energy to him, the licensee may, after giving not less than seven clear days' notice in writing to such person and without prejudice to his right to recover such charge or other sum by suit, cut off the supply and for that purpose cut or disconnect any electric supply-line or other works, being the property of the licensee, through which energy may be supplied, and may discontinue the supply until such charge or other sum, together with any expenses incurred by him in cutting off and re-connecting the supply, are paid, but no longer : Discontinuance of supply to consumer neglecting to pay charge.

Provided that where any difference or dispute has been referred under this Act to an Electric Inspector before notice as aforesaid has been given by the licensee, the licensee shall not exercise the powers conferred by this section until the Inspector has given his decision.

25. Where any electric supply-lines, meters, fittings, works or apparatus belonging to a licensee are placed in or upon any premises, not being in the possession of the licensee, for the purpose of supplying energy, such electric supply-lines, meters, fittings, works and apparatus shall not be liable to be taken in execution under any process of any Civil Court or in any proceedings in insolvency against the person in whose possession the same may be. Exemption of electric supply-lines or other apparatus from attachment in certain cases.

26. (1) In the absence of an agreement to the contrary, the amount of energy supplied to a consumer or the electrical quantity contained in the supply shall be ascertained by means of a correct meter, and the licensee shall, if required by the consumer, cause the consumer to be supplied with such a meter : Meters.

Provided that the licensee may require the consumer to give him security for the price of a meter and enter into an agreement for the hire thereof, unless the consumer elects to purchase a meter.

(2) Where the consumer so enters into an agreement for the hire of a meter, the licensee shall keep the meter correct, and, in default of his doing so, the consumer shall, for so long as the default continues, cease to be liable to pay for the hire of the meter..

(3) Where the meter is the property of the consumer, he shall keep the meter correct, and, in default of his doing so, the licensee may, after giving him seven days' notice, for so long as the default continues, cease to supply energy through the meter.

(4) The licensee or any person duly authorised by the licensee shall, at any reasonable time and on informing the consumer of his intention, have access to, and be at liberty to inspect and test, and for that purpose, if he thinks fit, take off and remove, any meter referred to in sub-section (1) ; and, except

where the meter is so hired as aforesaid, all reasonable expenses of, and incidental to, such inspecting, testing, taking off and removing shall, if the meter is found to be otherwise than correct, be recovered from the consumer ; and, where any difference or dispute arises as to the amount of such reasonable expenses, the matter shall be referred to an Electric Inspector, and the decision of such Inspector shall be final :

Provided that the licensee shall not be at liberty to take off or remove any such meter if any difference or dispute of the nature described in sub-section (6) has arisen until the matter has been determined as therein provided.

(5) A consumer shall not connect any meter referred to in sub-section (1) with any electric supply-line through which energy is supplied by a licensee, or disconnect the same from any such electric supply-line, without giving to the licensee not less than forty-eight hours' notice in writing of his intention.

(6) Where any difference or dispute arises as to whether any meter referred to in sub-section (1) is or is not correct, the matter shall be decided, upon the application of either party, by an Electric Inspector, or by a competent person specially appointed by the Local Government in this behalf ; and, where the meter has, in the opinion of such Inspector or person, ceased to be correct, such Inspector or person shall estimate the amount of the energy supplied to the consumer or the electrical quantity contained in the supply, during such time as the meter shall not, in the opinion of such Inspector or person, have been correct, on the basis of the previous supply ; and where the matter has been decided by any person other than the Electric Inspector, an appeal shall lie to the Inspector, whose decision shall in every case be final : but, save as aforesaid, the register of the meter shall, in the absence of fraud, be conclusive proof of such amount or quantity.

(7) In addition to any meter which may be placed upon the premises of a consumer in pursuance of the provisions of sub-section (1), the licensee may place upon such premises such meter, maximum demand indicator or other apparatus as he may think fit for the purpose of ascertaining or regulating either the amount of energy supplied to the consumer, or the number of hours during which the supply is given, or the rate per unit of time at which energy is supplied to the consumer, or any other quantity or time connected with the supply :

Provided that the meter, indicator or apparatus shall not, in the absence of an agreement to the contrary, be placed otherwise than between the distributing mains of the licensee and any meter referred to in sub-section (1) :

Provided, also, that, where the charges for the supply of energy depend wholly or partly upon the reading or indication of any such meter, indicator or apparatus as aforesaid, the licensee shall, in the absence of an agreement to the contrary, keep the meter, indicator or apparatus correct ; and the provisions of sub-sections (4), (5) and (6) shall in that case apply as though the meter, indicator or apparatus were a meter referred to in sub-section (1).

*Explanation.*—A meter shall be deemed to be “ correct ” if it registers the amount of energy supplied, or the electrical quantity contained in the supply, within the prescribed limits of error, and a maximum demand indicator or other apparatus referred to in sub-section (7) shall be deemed to be “ correct ” if it complies with such conditions as may be prescribed in the case of any such indicator or other apparatus.

27. Notwithstanding anything in this Act, the Local Government may, by order in writing, and subject to such conditions and restrictions, if any, as it thinks fit to impose, authorise any licensee to supply energy to any person outside the area of supply, and to lay down or place electric supply-lines for that purpose :

Provided, first, that no such authority shall be conferred on the licensee within the area of supply of another licensee without that licensee’s consent unless the Local Government considers that his consent has been unreasonably withheld :

Provided, secondly, that such authority shall not be conferred unless the person to whom the supply is to be given has entered into a specific agreement with the licensee for the taking of such supply :

Provided, thirdly, that a licensee on whom such authority has been conferred shall not be deemed to be empowered outside the area of supply to open or break up any street, or any sewer, drain or tunnel in or under any street, railway or tramway, or to interfere with any telegraph-line, without the written consent of the local authority or person by whom such street, sewer, drain or tunnel is repairable, or of the telegraph-authority, as the case may be :

Provided, fourthly, that, save as aforesaid, the provisions of this Act shall apply in the case of any supply authorised under this section as if the said supply were made within the area of supply.

### PART III.

#### SUPPLY, TRANSMISSION AND USE OF ENERGY BY NON-LICENSEES.

28. (1) No person, other than a licensee, shall engage in the business of supplying energy except with the previous sanction of the Local Government and in accordance with such conditions as the Local Government may fix in this behalf, and any agreement to the contrary shall be void :

Provided that such sanction shall not be given in any case unless the Local Government considers that, having regard to the extent of the proposed supply and the other circumstances of the case, the obtaining of a license under Part II would be attended with undue expense or delay :

Provided also that such sanction shall not be given within the area for which a local authority is constituted, without that local authority’s consent, or within the area of supply of any licensee, without that licensee’s consent,

unless the Local Government considers that consent has been unreasonably withheld.

(2) Where any difference or dispute arises as to whether any person is or is not engaging, or about to engage, in the business of supplying energy within the meaning of sub-section (1), the matter shall be referred to the Local Government, and the decision of the Local Government thereon shall be final.

Power for  
non-licensees  
to break up  
streets.

**29.** (1) The local authority may, by order in writing, confer and impose upon any person, who has obtained the sanction of the Local Government under section 28 to engage in the business of supplying energy, all or any of the powers and liabilities of a licensee under sections 12 to 19, both inclusive, and the provisions of the said sections shall thereupon apply as if such person were a licensee under Part II.

(2) A local authority, not being a licensee, shall, for the purpose of lighting any street, have the powers and be subject to the liabilities respectively conferred and imposed by sections 12 to 19, both inclusive, so far as applicable, as if it were a licensee under Part II.

(3) In cases other than those for which provision is made by sub-section (1), the person responsible for the repair of any street may, by order in writing, confer and impose upon any person who proposes to transmit energy in such street all or any of the powers and liabilities of a licensee under sections 12 to 19 (both inclusive), in so far as the same relate to—

- (a) opening or breaking up of the soil or pavement of such street, or
- (b) laying down or placing electric supply-lines in, under, along or across such street, or
- (c) repairing, altering or removing such electric supply-lines,

and thereupon the provisions of the said sections shall, so far as aforesaid, apply to such person as if he were a licensee under Part II.

(4) If no order is made within fourteen days after the receipt of an application for the same under sub-section (1) or sub-section (3), the order so applied for shall be deemed to have been refused, and every order, and every refusal to make an order, under sub-section (1) or sub-section (3), shall be subject to revision by the Local Government.

Control of  
transmission  
and use of  
energy.

**30.** (1) No person, other than a licensee duly authorised under the terms of his license, shall transmit or use energy at a rate exceeding two hundred and fifty watts,—

- (a) in any street, or
- (b) in any place,
  - (i) in which one hundred or more persons are likely ordinarily to be assembled, or
  - (ii) which is a factory within the meaning of the <sup>1</sup>Indian Factories Act, XV of 1881, 1881, or
  - (iii) which is a mine within the meaning of the <sup>2</sup>Indian Mines Act, 1901, VIII of 1901.

<sup>1</sup> See now the Indian Factories Act, 1911 (12 of 1911), *infra*.

<sup>2</sup> Genl. Acts, Vol. V.

without giving not less than seven clear days' notice in writing of his intention to the District Magistrate, or, in a Presidency-town or Rangoon, to the Commissioner of Police, and complying with such of the provisions of Part IV, and of the rules made thereunder, as may be applicable :

IX of 1890. Provided that nothing in this section shall apply to energy used for the public carriage of passengers, animals or goods on, or for the lighting or ventilation of the rolling-stock of, any railway or tramway subject to the provisions of the 'Indian Railways Act, 1890 :

Provided, also, that the Local Government may, by general or special order and subject to such conditions and restrictions as may be specified therein, exempt from the application of this section or of any such provision or rule as aforesaid any person or class of persons using energy on premises upon or in connection with which it is generated, or using energy supplied under Part II in any place specified in clause (b).

(2) Where any difference or dispute arises as to whether a place is or is not one in which one hundred or more persons are likely ordinarily to be assembled, the matter shall be referred to the Local Government, and the decision of the Local Government thereon shall be final.

(3) The provisions of this section shall be binding on the Crown.

#### PART IV.

##### GENERAL.

##### *Protective Clauses.*

31. No person shall, in the generation, transmission, supply or use of energy, in any way injure any railway, tramway, canal or waterway or any dock, wharf or pier vested in or controlled by a local authority, or obstruct or interfere with the traffic on any railway, tramway, canal or water-way.

Protection of  
railways  
and canals,  
docks,  
wharves  
and piers.

32. (1) Every person generating, transmitting, supplying or using energy (hereinafter in this section referred to as the "operator") shall take all reasonable precautions in constructing, laying down and placing his electric supply-lines and other works and in working his system, so as not injuriously to affect, whether by induction or otherwise, the working of any wire or line used for the purpose of telegraphic telephonic or electric-signalling communication, or the currents in such wire or line.

Protection of  
telegraphic,  
telephonic  
and electric  
signalling  
lines.

(2) Where any difference or dispute arises between the operator and the telegraph-authority as to whether the operator has constructed, laid down or placed his electric supply-lines or other works, or worked his system, in contravention of sub-section (1), or as to whether the working of any wire, line or current is or is not injuriously affected thereby, the matter shall be referred to the Governor General in Council; and the Governor General in Council, unless he is of opinion that the wire or line has been placed in

unreasonable proximity to the electric supply-lines or works of the operator after the construction of such lines or works, may direct the operator to make such alterations in, or additions to, his system as may be necessary in order to comply with the provisions of this section, and the operator shall make such alterations or additions accordingly :

Provided that nothing in this sub-section shall apply to the repair, renewal or amendment of any electric supply-line so long as the course of the electric supply-line and the amount and nature of the energy transmitted thereby are not altered.

(3) Where the operator makes default in complying with the requirements of this section, he shall make full compensation for any loss or damage incurred by reason thereof, and, where any difference or dispute arises as to the amount of such compensation, the matter shall be determined by arbitration.

*Explanation.*—For the purposes of this section, a telegraph-line shall be deemed to be injuriously affected if telegraphic, telephonic or electric signalling communication by means of such line is, whether through induction or otherwise, prejudicially interfered with by an electric supply-line or work or by any use made thereof.

Notice of  
accidents  
and  
inquiries.

**33.** (1) Every person shall, within twenty-four hours of the occurrence, send to the Electric Inspector, and also to the District Magistrate or, in a Presidency-town or Rangoon, to the Commissioner of Police, notice in writing of any accident in connection with the generation, transmission, supply or use of energy resulting or likely to have resulted in loss of life or personal injury in any part of such person's works or electric supply-lines, or in connection with the same, and also notice of any loss of life or personal injury actually occasioned by any such accident.

(2) The Local Government may, if it thinks fit, require any Electric Inspector, or any other competent person appointed by it in this behalf, to inquire and report—

(a) as to the cause of any accident affecting the safety of the public, which may have been occasioned by, or in connection with, the generation, transmission, supply or use of energy, or

(b) as to the manner in, and extent to, which the provisions of this Act or of any license or rules thereunder, so far as those provisions affect the safety of any person, have been complied with.

Prohibition  
of connection  
with earth,  
and power  
for Govern-  
ment to  
interfere  
in certain  
cases of  
default.

**34.** (1) No person shall, in the generation, transmission, supply or use of energy, permit any part of his electric supply-lines to be connected with earth except so far as may be prescribed in this behalf or may be specially sanctioned by the Governor General in Council.

(2) If at any time it is established to the satisfaction of the Local Government—

(a) that any part of an electric supply-line is connected with earth contrary to the provisions of sub-section (1) or

- (b) that any electric supply-lines or other works for the generation, transmission, supply or use of energy are attended with danger to the public safety or to human life or injuriously affect any telegraph-line, or
- (c) that any electric supply-lines or other works are defective so as not to be in accordance with the provisions of this Act or of any rule thereunder,

the Local Government may, by order in writing, specify the matter complained of and require the owner or user of such electric supply-lines or other works to remedy it in such manner as shall be specified in the order, and may also in like manner forbid the use of any electric supply-line or works until the order is complied with or for such time as is specified in the order.

*Administration and Rules.*

**35.** (1) The Governor General in Council may, for the whole or any part of British India, and each Local Government may, for the whole or any part of the province, by notification in the Gazette of India or the local official Gazette, as the case may be, constitute an Advisory Board. Advisory Boards.

(2) Every such Board shall consist of a chairman and not less than two other members.

(3) The chairman and, where there are more than two other members, two of the other members, or, where there are only two other members, one of the other members, shall be nominated by the Governor General in Council or the Local Government, as the case may be, and the remaining members shall be nominated by such local authorities, Chambers of Commerce or other Associations as the Governor General in Council or the Local Government, as the case may be, may direct.

(4) The Governor General in Council or the Local Government, as the case may be, may, by general or special order,—

- (a) define the duties and regulate the procedure of any such Board,
- (b) determine the tenure of office of the members of any such Board, and
- (c) give directions as to the payment of fees to, and the travelling expenses incurred by, any member of any such Board in the performance of his duty.

**36.** (1) The Governor General in Council may, by notification in the Gazette of India, appoint duly qualified persons to be Electric Inspectors, and every Electric Inspector so appointed shall exercise the powers and perform the functions of an Electric Inspector under this Act within such areas and subject to such restrictions as the Governor General in Council may direct. Appointment of Electric Inspectors.

(2) The Local Government may, by notification in the local official Gazette, appoint duly qualified persons to be Electric Inspectors within such areas as may be assigned to them respectively; and every Inspector so appointed



shall exercise the powers and perform the functions of an Electric Inspector under this Act subject to such restrictions as the Local Government may direct.

(3) In the absence of express provision to the contrary in this Act or any rule thereunder, an appeal shall lie from the decision of an Electric Inspector to the Governor General in Council or the Local Government, as the case may be.

**Power for  
Government  
to make  
rules.**

**37.** (1) The Governor General in Council may make rules,<sup>1</sup> for the whole or any part of British India, to regulate the generation, transmission, supply and use of energy, and, generally, to carry out the purposes and objects of this Act.

(2) In particular and without prejudice to the generality of the foregoing power, such rules may—

- (a) prescribe the form of applications for licenses and the payments to be made in respect thereof ;
- (b) regulate the publication of notices ;
- (c) prescribe the manner in which objections with reference to any application under Part II are to be made ;
- (d) provide for the preparation and submission of accounts by licensees in a specified form ;
- (e) provide for the securing of a regular, constant and sufficient supply of energy by licensees to consumers and for the testing at various parts of the system of the regularity and sufficiency of such supply and for the examination of the records of such tests by consumers ;
- (f) provide for the protection of persons and property from injury by reason of contact with, or the proximity of, or by reason of the defective or dangerous condition of, any appliance or apparatus used in the generation, transmission, supply or use of energy ;
- (g) for the purposes of electric traction regulate the employment of insulated returns, or of uninsulated metallic returns of low resistance, in order to prevent fusion or injurious electrolytic action of or on metallic pipes, structures or substances, and to minimise, as far as is reasonably practicable, injurious interference with the electric wires, supply-lines and apparatus of parties other than the owners of the electric traction system, or with the currents therein, whether the earth is used as a return or not ;
- (h) provide for preventing telegraph-lines and magnetic observatories or laboratories from being injuriously affected by the generation, transmission, supply or use of energy ;
- (i) prescribe the qualifications to be required of Electric Inspectors ;
- (j) authorise any Electric Inspector or other officer of a specified rank and class to enter, inspect and examine any place, carriage or vessel

<sup>1</sup> For rules, see *Gazette of India*, 1910, Pt. I, p. 1236.

in which he has reason to believe any appliance or apparatus used in the generation, transmission, supply or use of energy to be, and to carry out tests therein, and to prescribe the facilities to be given to such Inspectors or officers for the purposes of such examinations and tests; and

- (k) authorise and regulate the levy of fees for any such testing or inspection and, generally, for the services of Electric Inspectors under this Act.

(3) In making any rule under this Act, the Governor General in Council may direct that every breach thereof shall be punishable with fine which may extend to three hundred rupees, and, in the case of a continuing breach, with a further daily fine which may extend to fifty rupees.

**38.** (1) The power to make rules under section 37 shall be subject to the condition of the rules being made after previous publication. Further provisions respecting rules.

X of 1897.

(2) The date to be specified in accordance with clause (3) of section 23 of the General Clauses Act, 1897, as that after which a draft of rules proposed to be made under section 37 will be taken into consideration shall not be less than three months from the date on which the draft of the proposed rules was published for general information.

(3) Any rule to be made under this Act shall, before it is published for criticism under sub-section (2), be referred to the Advisory Board (if any) constituted for the whole of British India, or, if no such Board has been constituted, then to such Board or Boards (if any) as the Governor General in Council may direct; and the rule shall not be so published until such Board or Boards (if any) has or have reported as to the expediency of making the proposed rule and as to the suitability of its provisions.

(4) All rules made under section 37 shall be published in the Gazette of India, and, on such publication, shall have effect as if enacted in this Act

#### *Criminal Offences and Procedure.*

**39.** Whoever dishonestly abstracts, consumes or uses any energy shall Theft of energy. be deemed to have committed theft within the meaning of the <sup>2</sup>Indian Penal Code; and the existence of artificial means for such abstraction shall be *prima facie* evidence of such dishonest abstraction. XIV of 1860.

**40.** Whoever maliciously causes energy to be wasted or diverted, or with intent to cut off the supply of energy, cuts or injures, or attempts to cut or injure, any electric supply-line or works, shall be punishable with imprisonment for a term which may extend to two years, or with fine which may extend to one thousand rupees, or with both. Penalty for maliciously wasting energy or injuring works.

**41.** Whoever, in contravention of the provisions of section 28, engages in the business of supplying energy shall be punishable with fine which may Penalty for unauthorised supply of

<sup>1</sup> Genl. Acts, Vol. IV.

<sup>2</sup> Genl. Acts, Vol. I.

energy by  
non-licensees.

Penalty for  
illegal or de-  
fective  
supply or for  
non-com-  
pliance with  
order.

extend to three thousand rupees, and, in the case of a continuing contravention, with a daily fine which may extend to three hundred rupees.

**42. Whoever—**

- (a) being a licensee, save as permitted under section 27 or section 51 or by his license, supplies energy or lays down or places any electric supply-line or works outside the area of supply ; or,
- (b) being a licensee, in contravention of the provisions of this Act or of the rules thereunder or in breach of the conditions of his license and without reasonable excuse, the burden of proving which shall lie on him, discontinues the supply of energy or fails to supply energy ; or
- (c) makes default in complying with any order issued to him under section 34, sub-section (2) ;

shall be punishable with fine which may extend to one thousand rupees, and, in the case of a continuing offence or default, with a daily fine which may extend to one hundred rupees.

Penalty for  
illegal  
transmission  
or use of  
energy.

**43. Whoever,** in contravention of the provisions of section 30, transmits or uses energy without giving the notice required thereby, shall be punishable with fine which may extend to five hundred rupees, and, in the case of a continuing offence, with a daily fine which may extend to fifty rupees.

**44. Whoever—**

Penalty for  
interference  
with meters  
or licensee's  
works and  
for improper  
use of  
energy.

- (a) connects any meter referred to in section 26, sub-section (1), or any meter, indicator or apparatus referred to in section 26, sub-section (7), with any electric supply-line through which energy is supplied by a licensee, or disconnects the same from any such electric supply-line, without giving to the licensee forty-eight hours' notice in writing of his intention ; or
- (b) lays, or causes to be laid, or connects up any works for the purpose of communicating with any other works belonging to a licensee, without such licensee's consent ; or
- (c) maliciously injures any meter referred to in section 26, sub-section (1), or any meter, indicator or apparatus referred to in section 26, sub-section (7), or wilfully or fraudulently alters the index of any such meter, indicator or apparatus, or prevents any such meter, indicator or apparatus from duly registering ; or
- (d) improperly uses the energy of a licensee ;

shall be punishable with fine which may extend to three hundred rupees, and, in the case of a continuing offence, with a daily fine which may extend to thirty rupees ; and the existence of artificial means for making such connection as is referred to in clause (a), or such communication as is referred to in clause (b), or for causing such alteration or prevention as is referred to in clause (c), or for facilitating such improper use as is referred to in clause (d), shall, where the meter, indicator or apparatus is under the custody or control of the

consumer, whether it is his property or not, be *prima facie* evidence that such connection, communication, alteration, prevention or improper use, as the case may be, has been knowingly and wilfully caused by such consumer.

45. Whoever maliciously extinguishes any public lamp shall be punishable with imprisonment for a term which may extend to six months, or with fine which may extend to three hundred rupees, or with both. Penalty for extinguishing public lamps.

46. Whoever negligently causes energy to be wasted or diverted, or negligently breaks, throws down or damages any electric supply-line, post, pole or lamp or other apparatus connected with the supply of energy, shall be punishable with fine which may extend to two hundred rupees. Penalty for negligently wasting energy or injuring works.

47. Whoever, in any case not already provided for by sections 39 to 46 (both inclusive), makes default in complying with any of the provisions of this Act, or with any order issued under it, or, in the case of a licensee, with any of the conditions of his license, shall be punishable with fine which may extend to one hundred rupees, and, in the case of a continuing default, with a daily fine which may extend to twenty rupees : Penalty for offences not otherwise provided for.

Provided that, where a person has made default in complying with any of the provisions of sections 13, 14, 15, 17 and 32, as the case may be, he shall not be so punishable if the Court is of opinion that the case was one of emergency, and that the offender complied with the said provisions as far as was reasonable in the circumstances.

48. The penalties imposed by sections 39 to 47 (both inclusive) shall be in addition to, and not in derogation of, any liability in respect of the payment of compensation or, in the case of a licensee, the revocation of his license, which the offender may have incurred. Penalties not to affect other liabilities.

49. The provisions of sections 39, 40, 44, 45 and 46 shall, so far as they are applicable, be deemed to apply also when the acts made punishable thereunder are committed in the case of energy supplied by, or of works belonging to, the Government. Penalties where works belong to Government.

50. No prosecution shall be instituted against any person for any offence against this Act or any rule, license or order thereunder, except at the instance of the Government or an Electric Inspector, or of a person aggrieved by the same. Institution of prosecutions.

#### *Supplementary.*

51. Notwithstanding anything in sections 12 to 16 (both inclusive) and sections 18 and 19, the Governor General in Council may, by order in writing, for the placing of appliances and apparatus for the transmission of energy, confer upon any public officer or licensee, subject to such conditions and restrictions (if any) as the Governor General in Council may think fit to impose, and to the provisions of the Indian Telegraph Act, 1885, any of the powers which the telegraph-authority possesses under that Act, with respect to the placing of telegraph-lines and posts for the purposes of a telegraph established or maintained by the Government or to be so established or maintained. Exercise in certain cases of powers of telegraph-authority.

**Arbitration.**

**52.** Where any matter is, by or under this Act, directed to be determined by arbitration, the matter shall, unless it is otherwise expressly provided in the license of a licensee, be determined by such person or persons as the Local Government may nominate in that behalf on the application of either party; but in all other respects the arbitration shall be subject to the provision of the <sup>1</sup>Indian Arbitration Act, 1899.

IX of 1899.

**Service of notices, orders or documents.**

**53.** (1) Every notice, order or document by or under this Act required or authorised to be addressed to any person may be served by post or left,—

- (a) where the Government is the addressee, at the office of the Secretary in the Public Works Department;
- (b) where a local authority is the addressee, at the office of the local authority;
- (c) where a company is the addressee, at the registered office of the Company or, in the event of the registered office of the Company not being in India, at the head office of the Company in India;
- (d) where any other person is the addressee, at the usual or last known place of abode or business of the person.

(2) Every notice, order or document by or under this Act required or authorised to be addressed to the owner or occupier of any premises shall be deemed to be properly addressed if addressed by the description of the "owner" or "occupier" of the premises (naming the premises), and may be served by delivering it, or a true copy thereof, to some person on the premises, or, if there is no person on the premises to whom the same can with reasonable diligence be delivered, by affixing it on some conspicuous part of the premises.

**Recovery of sums recoverable under certain provisions of Act.**

**54.** Every sum declared to be recoverable by section 5, clause (f), section 6, sub-section (2), section 14, sub-section (2), clause (h), section 16, sub-section (2), section 18, sub-section (2) or sub-section (f), or section 26, sub-section (4), and every fee leviable under this Act, may be recovered, on application to a Magistrate having jurisdiction where the person liable to pay the same is for the time being resident, by the distress and sale of any moveable property belonging to such person.

**Delegation of certain functions of Local Government to Electric Inspectors.**

**55.** The Local Government may, by general or special order, authorise the discharge of any of its functions under section 13 or section 18, or clause V, sub-clause (2), or clause XIII of the Schedule by an Electric Inspector.

**Protection for acts done in good faith.**

**56.** No suit, prosecution or other proceeding shall lie against any public officer, or any servant of a local authority, for anything done, or in good faith purporting to be done, under this Act.

**Amendment of the Land**

**57.** (1) In section 40, sub-section (1), clause (b), and section 41, sub-section (5), of the <sup>2</sup>Land Acquisition Act, 1894, the term "work" shall be I of 1894.

<sup>1</sup> Genl. Acts, Vol. V.<sup>2</sup> Genl. Acts, Vol. IV.

deemed to include electrical energy supplied, or to be supplied, by means of Acquisition  
the work to be constructed. Act, 1894.

(2) The Local Government may, if it thinks fit, on the application of any person, not being a company, desirous of obtaining any land for the purposes of his undertaking, direct that he may acquire such land under the provisions of the <sup>I</sup>Land Acquisition Act, 1894, in the same manner and on the same conditions as it might be acquired if the person were a company.

I of 1894.

III of 1903. **58.** (1) The Indian Electricity Act, 1903, is hereby repealed :

Repeals and  
savings.

Provided that every application for a license made and every license granted under the said Act shall be deemed to have been made and granted under this Act.

(2) Nothing in this Act shall be deemed to affect the terms of any license which was granted, or of any agreement which was made, by or with the sanction of the Government for the supply or use of electricity before the commencement of this Act.

#### THE SCHEDULE.

PROVISIONS TO BE DEEMED TO BE INCORPORATED WITH, AND TO FORM PART OF,  
EVERY LICENSE GRANTED UNDER PART II, SO FAR AS NOT ADDED TO,  
VARIED OR EXCEPTED BY THE LICENSE.

[See section 3, sub-section (2), clause (f).]

#### *Security and Accounts.*

I. Where the licensee is not a local authority, the following provisions as to giving security shall apply, namely :—

Security for  
execution of  
works of  
licensee not  
being local  
authority.

- (a) The licensee shall, within the period fixed in that behalf by his license, or any longer period which the Local Government may substitute therefor by order under section 4, sub-section (3), clause (b), of the Indian Electricity Act, 1910, before exercising any of the powers by the license conferred on him in relation to the execution of works, show, to the satisfaction of the Local Government, that he is in a position fully and efficiently to discharge the duties and obligations imposed upon him by the license throughout the area of supply.
- (b) The licensee shall also, within the period fixed in that behalf by his license, or any longer period which the Local Government may substitute therefor by order under section 4, sub-section (3), clause (b), of the Indian Electricity Act, 1910, and before exercising any of the powers conferred on him in relation to the execution of works, deposit or secure to the satisfaction of the Local

Government such sum (if any) as may be fixed by the license or, if not so fixed, by the Local Government.

- (c) The said sum deposited or secured by the licensee under the provisions of this clause shall be repaid or released to him on the completion of the works or at such earlier date or dates and by such instalments, as may be approved by the Local Government.

Audit of  
accounts of  
licensee not  
being local  
authority.

II. Where the licensee is not a local authority, the following provisions as to the audit of accounts shall apply, namely:—

- (a) The annual statement of accounts of the undertaking shall, before being rendered under section 11 of the Indian Electricity Act, 1910, be examined and audited by such person as the Local Government may appoint or approve in this behalf, and the remuneration of the auditor shall be such as the Local Government may direct, and his remuneration and all expenses incurred by him in or about the execution of his duties, to such an amount as the Local Government shall approve, shall be paid by the licensee on demand.
- (b) The licensee shall afford to the auditor, his clerks and assistants, access to all such books and documents relating to the undertaking as are necessary for the purposes of the audit, and shall, when required, furnish to him and them all vouchers and information requisite for that purpose, and afford to him and them all facilities for the proper execution of his and their duty.
- (c) The audit shall be made and conducted in such manner as the Local Government may direct.
- (d) Any report made by the auditor, or such portion thereof as the Local Government may direct, shall be appended to the annual statement of accounts of the licensee, and shall thenceforth form part thereof.
- (e) Notwithstanding the foregoing provisions of this clause, the Local Government may, if it thinks fit, accept the examination and audit of an auditor appointed by the licensee.

Separate  
accounts.

III. The licensee shall, unless the Local Government otherwise directs, at all times keep the accounts of the capital employed for the purposes of the undertaking distinct from the accounts kept by him of any other undertaking or business.

*Compulsory works and supply.*

Execution of  
work after  
commence-  
ment of  
license.

IV. The licensee shall, within a period of three years after the commencement of the license, execute to the satisfaction of the Local Government all such works as may be specified in the license in this behalf or, if not so specified, as the Local Government may, by order in writing issued within six months of the date of the commencement of the license, direct.

Provisions as  
to laying  
down of

V. (1) Where, after the expiration of two years and six months from the commencement of the license, a requisition is made by six or more owners

or occupiers of premises in or upon any street or part of a street within the area of supply or by the Local Government or a local authority charged with the public lighting thereof, requiring the licensee to provide distributing mains throughout such street or part thereof, the licensee shall comply within six months with the requisition, unless,—

- (a) where it is made by such owners or occupiers as aforesaid, the owners or occupiers making it do not, within fourteen clear days after the service on them by the licensee of a notice in writing in this behalf, tender to the licensee a written contract duly executed and with sufficient security binding themselves to take, or guaranteeing that there shall be taken, a supply of energy for not less than two years to such amount as will in the aggregate produce annually, at the current rates charged by the licensee, a reasonable return to the licensee ; or,
- (b) where it is made by the Local Government or a local authority, the Local Government or local authority, as the case may be, does not, within the like period, tender a like contract binding itself to take a supply of energy for not less than seven years for the public lamps in such street or part thereof.

(2) Where any difference or dispute arises between the licensee and such owners or occupiers as to the sufficiency of the security offered under this clause, or as to the amount of energy to be taken or guaranteed as aforesaid, the matter shall be referred to the Local Government, and either decided by it or, if it so directs, determined by arbitration.

(3) Every requisition under this clause shall be signed by the maker or makers thereof and shall be served on the licensee.

(4) Every requisition under this clause shall be in a form to be prescribed by rules under the Indian Electricity Act, 1910 ; and copies of the form shall be kept at the office of the licensee and supplied free of charge to any applicant.

VI. (1) Where a requisition is made by the owner or occupier of any premises situate within one hundred yards from any distributing main requiring the licensee to supply energy for such premises, the licensee shall, within one month from the making of the requisition, supply, and, save in so far as he is prevented from doing so by cyclones, floods, storms or other occurrences beyond his control, continue to supply, energy in accordance with the requisition :

Requisition for supply to owners or occupiers in vicinity.

Provided, first, that the licensee shall not be bound to comply with any such requisition unless and until the person making it—

- (a) within fourteen days after the service on him by the licensee of a notice in writing in this behalf, tenders to the licensee a written contract, in a form approved by the Local Government, duly executed and with sufficient security, binding himself to take a supply of energy for not less than two years to such amount



as will produce, at current rates charged by the licensee, a reasonable return to the licensee, and,

- (b) if required by the licensee so to do, pays to the licensee the cost of so much of any service-line as may be laid down or placed for the purposes of the supply upon the property in respect of which the requisition is made, and of so much of any service-line as it may be necessary for the said purposes to lay down or place beyond one hundred feet from the licensee's distributing main, although not on that property :

Provided, secondly, that the licensee shall be entitled to discontinue such supply—

- (a) if the owner or occupier of the property to which the supply is made has not already given security, or if any security given by him has become invalid or insufficient, and such owner or occupier fails to furnish security or to make up the original security to a sufficient amount, as the case may be, within seven days after the service upon him of notice from the licensee requiring him so to do, or
- (b) if the owner or occupier of the property to which the supply is made adopts any appliance, or uses the energy supplied to him by the licensee for any purposes, or deals with it in any manner, so as unduly or improperly to interfere with the efficient supply of energy to any other person by the licensee, or
- (c) if the electric wires, fittings, works and apparatus in such property are not in good order and condition, and are consequently likely to affect injuriously the use of energy by the licensee, or by other persons, or
- (d) if the owner or occupier makes any alterations of, or additions to, any electric wires, fittings, works or apparatus within such property as aforesaid, and does not notify the same to the licensee before the same are connected to the source of supply, with a view to their being examined and tested :

Provided, thirdly, that the maximum rate per unit of time at which the owner or occupier shall be entitled to be supplied with energy shall not exceed what is necessary for the maximum consumption on his premises, and, where the owner or occupier has required a licensee to supply him at a specified maximum rate, he shall not be entitled to alter that maximum, except after one month's notice in writing to the licensee, and the licensee may recover from the owner or occupier any expenses incurred by him by reason of such alteration in respect of the service-lines by which energy is supplied to the property beyond one hundred feet from the licensee's distributing main, or in respect of any fittings or apparatus of the licensee upon that property : and

Provided, fourthly, that, in the event of any requisition being made for a supply of energy from any distributing main of which the licensee can prove, to the satisfaction of an Electric Inspector,—

- (a) that it is already loaded up to its full current-carrying capacity, or
- (b) that, in case of a larger amount of current being transmitted by it, the loss of pressure will seriously affect the efficiency of the supply to other consumers in the vicinity,

the licensee may refuse to accede to the requisition for such reasonable period not exceeding six months, as such Inspector may think sufficient for the purpose of amending the distributing main or laying down or placing a further distributing main.

(2) Any service-line laid for the purpose of supply in pursuance of a requisition under sub-clause (1) shall, notwithstanding that a portion of it may have been paid for by the person making the requisition, be maintained by the licensee.

(3) Where any difference or dispute arises as to the amount of energy to be taken or guaranteed as aforesaid, or as to the cost of any service-line or as to the sufficiency of the security offered by any owner or occupier, or as to the improper use of energy, or as to any alleged defect in any wires, fittings, works or apparatus, or as to the amount of the expenses incurred under the third proviso to sub-clause (1), the matter shall be referred to an Electric Inspector and decided by him.

(4) Every requisition under this clause shall be signed by the maker or makers thereof and shall be served on the licensee.

(5) Every requisition under this clause shall be in a form to be prescribed by rules under the Indian Electricity Act, 1910; and copies of the form shall be kept at the office of the licensee and supplied free of charge to any applicant.

VII. (1) Where an application is made by any person for the supply of energy within the area of supply, for any premises not situate within one hundred yards from any distributing main, or in any street in which distributing mains have not already been laid down or placed, and where a special agreement has been entered into to give and receive such supply, the licensee shall, before commencing to lay down or place in any such street any electric supply-line, serve upon the local authority (if any) and upon the owner or occupier of all premises abutting on so much of the street as lies between the points of origin and termination of the electric supply-line so to be laid down or placed <sup>1</sup>[one month's notice] stating that the licensee intends to lay down or place the electric supply-line, and intimating that, if within the said period the local authority or any two or more of such owners or occupiers require in accordance with the provisions of the

Provisions as to laying electric supply-lines under special agreement.

<sup>1</sup> Substituted for "a notice" by the Repealing and Amending Act, 1914 (10 of 1914), Sch. I.

license that a supply shall be given for any public lamps or to their premises, as the case may be, the necessary distributing main will be laid down or placed by the licensee at the same time as the electric supply-line intended for the particular person.

(2) Where any such special agreement as is referred to in sub-clause (1) has been entered into between the licensee and any person, the licensee shall supply, and, save in so far as he is prevented from doing so by cyclones, floods, storms or other occurrences beyond his control, continue to supply, energy in such quantities as may have been agreed upon, and the provisions contained in the first, second, third and fourth provisos to sub-clause (1) and in sub-clauses (2) and (3) of clause VI shall, so far as may be, apply to every case in which energy is supplied under this clause as if such person had made a requisition under clause VI.

Supply for  
public lamps.

VIII. (1) Where a requisition is made by the Local Government or by a local authority requiring the licensee to supply for a period of not less than seven years energy for any public lamps within the distance of one hundred yards from any distributing main, the licensee shall supply, and, save in so far as he is prevented from doing so by cyclones, floods, storms or other occurrences beyond his control, continue to supply, energy for such lamps in such quantities as the Local Government or the local authority, as the case may be, may require.

(2) The provisions of sub-clause (b) of the first proviso, of sub-clauses (c) and (d) of the second proviso, and of the third and fourth provisos to sub-clause (1) and the provisions of sub-clauses (2) and (3) of clause VI shall, so far as may be, apply to every case in which a requisition for the supply of energy is made under this clause as if the Local Government or local authority were an owner or occupier within the meaning of those provisions.

#### *Supply by bulk-licensees.*

Special pro-  
visions apply-  
ing to supply  
by bulk-  
licensees.

IX. (1) Where, and in so far as, the licensee (hereinafter in this clause referred to as "the bulk-licensee") is authorised by his license to supply energy to other licensees for distribution by them (hereinafter in this clause referred to as "distributing-licensees") the following provisions shall apply, namely :—

- (a) any distributing-licensees within the bulk-licensee's area of supply may make a requisition on the bulk-licensee, requiring him to give a supply of energy and specifying the point, and the maximum rate per unit of time, at which such supply is required, and the date upon which the supply is to commence, such date being fixed after the date of receipt of the requisition so as to allow an interval that is reasonable with regard to the locality and to the length of the electric supply-line and the amount of the plant required ;

(b) such distributing-licensee shall, if required by the bulk-licensee so to do, enter into a written agreement to receive and pay for a supply of energy for a period of not less than seven years of such an amount that the payment to be made for the same at the rate of charge for the time being charged for such supply shall not be less than such an amount as will produce a reasonable return to the bulk-licensee on the outlay (excluding expenditure on generating plant then existing and any electric supply-line then laid down or placed) incurred by him in making provision for such supply ;

c) the maximum rate per unit of time at which a distributing-licensee shall be entitled to be supplied with energy shall not exceed what is necessary for the purposes for which the supply is required by him, and need not be increased except upon a fresh requisition made in accordance with the foregoing provisions ;

d) if any difference or dispute arises under this clause, it shall be determined by arbitration, and, in the event of such arbitration, the arbitrator shall have regard to the following amongst other considerations, namely :—

- (i) the period for which the distributing-licensee is prepared to bind himself to take energy ;
- (ii) the amount of energy required and the hours during which the bulk-licensee is to supply it ;
- (iii) the capital expenditure incurred or to be incurred by the bulk-licensee in connection with the aforesaid supply of energy ; and
- (iv) the extent to which the capital expended or to be expended by the bulk-licensee in connection with such supply may become unproductive upon the discontinuance thereof.

(2) Notwithstanding anything in sub-clause (1), the bulk-licensee shall give a supply of energy to any distributing-licensee within his area of supply applying therefor, even although the distributing-licensee desires to be supplied with only a portion of the energy required for distribution by him :

Provided that the distributing-licensee shall, if so required by the bulk-licensee, enter into an agreement to take such energy upon special terms (including a minimum annual sum to be paid to the bulk-licensee) to be determined, if necessary, by arbitration in the manner laid down in sub-clause (1) (d).

(3) The maximum price fixed by a license for energy supplied to a distributing-licensee shall not apply to any partial supply given under sub-clause (2).

(4) Every distributing-licensee, who is supplied with energy by a bulk-licensee and intends to discontinue to receive such supply, shall give not less than twelve months' notice in writing of such intention to the bulk-licensee :

Provided that, where the distributing-licensee has entered into a written agreement with the bulk-licensee to receive and pay for a supply of energy

for a certain period, such notice shall be given so as not to expire before the end of that period.

*Charges.*

Methods of  
charging.

X. In the absence of an agreement to the contrary, the licensee may charge for energy supplied by him to any consumer—

- (a) by the actual amount of energy so supplied ; or
- (b) by the electrical quantity contained in the supply ; or
- (c) by such other method as may be approved by the Local Government :

Provided, first, that, where the licensee charges by any method so approved by the Local Government, any consumer who objects to that method may, by not less than one month's notice in writing, require the licensee to charge him, at the licensee's option, either by the actual amount of energy supplied to him or by the electrical quantity contained in the supply, and thereafter the licensee shall not, except with the consent of the consumer, charge him by another method :

Provided, secondly, that, before commencing to supply energy through any distributing main, the licensee shall give notice, by public advertisement, of the method by which he proposes to charge for energy so supplied ; and, where the licensee has given such notice, he shall not be entitled to change that method of charging without giving not less than one month's notice in writing of such change to the Local Government, to the local authority (if any) concerned, and to every consumer of energy who is supplied by him from such distributing main :

Provided, thirdly, that, if the consumer is provided with a meter in pursuance of the provisions of section 26, sub-section (1), of the Indian Electricity Act, 1910, and the licensee changes the method of charging for the energy supplied by him from the distributing main, the licensee shall bear the expense of providing a new meter, or such other apparatus as may be necessary by reason of the new method of charging.

Maximum  
charges.

XI. Save as provided by clause IX, sub-clause (3), the prices charged by the licensee for energy supplied by him shall not exceed the maxima fixed by his license, or, in the case of a method of charge approved by the Local Government, such maxima as the Local Government shall fix on approving the method :

Provided, that, if, at any time after the expiration of seven years from the commencement of the license, the Local Government considers or is satisfied that the maxima so fixed or approved as aforesaid should be altered, it may, after such inquiry (if any) as it thinks fit, make an order accordingly, which shall have effect from such date as may be mentioned therein :

Provided, also, that, where an order in pursuance of the foregoing proviso has been made, no further order altering the maxima fixed thereby shall be made until the expiration of another period of five years.

XII. The price to be charged by the licensee and to be paid to him for energy supplied for the public lamps, and the mode in which those charges are to be ascertained, shall be settled by agreement between the licensee and the Local Government or the local authority, as the case may be, and, where any difference or dispute arises, the matter shall be determined by arbitration.

*Testing and Inspection.*

XIII. The licensee shall establish at his own cost and keep in proper condition such number of testing stations, situated at such places within reasonable distance from any distributing main, as the Local Government may direct for the purpose of testing the pressure or periodicity of the supply of energy in the distributing main, and shall supply and keep in proper condition thereat, and on all premises from which he supplies energy, such instruments for testing as an Electric Inspector may approve, and shall supply energy to each testing station for the purpose of testing.

XIV. The licensee shall afford all facilities for inspection and testing of his works and for the reading, testing and inspection of his instruments, and may, on each occasion of the testing of his works or the reading, testing or inspection of any instruments, be represented by an agent, who may be present, but shall not interfere with the reading, testing or inspection.

XV. On the occasion of the testing of any works of the licensee by an Electric Inspector reasonable notice thereof shall be given to the licensee; and the testing shall be carried out at such suitable hours as, in the opinion of the Electric Inspector, will least interfere with the supply of energy by the licensee, and in such manner as the Electric Inspector may think fit; but, except under the provisions of an order made in each case in that behalf by the Local Government, the Electric Inspector shall not be entitled to have access to, or interfere with, the works of the licensee at any points other than those at which the licensee himself has access to the same:

Provided that the licensee shall not be held responsible for any interruption or irregularity in the supply of energy which may be occasioned by, or required by the Electric Inspector for the purpose of, any such testing as aforesaid:

Provided, also, that the testing shall not be made in regard to any particular portion of the works oftener than once in any three months, unless in pursuance of an order made in each case in that behalf by the Local Government.

*Plans.*

XVI. (1) The licensee shall, after commencing to supply energy, forthwith cause a plan to be made of the area of supply, and shall cause to be marked thereon the alignment and the approximate height above or depth below the surface of all his then existing electric supply-lines, street-distributing boxes and other works, and shall once in every year cause that plan to be duly corrected so as to show the electric supply-lines, street-distributing

boxes and other works for the time being in position. The licensee shall also, if so required by an Electric Inspector, cause to be made sections showing the approximate level of all his existing underground works other than service lines.

(2) Every such plan shall be drawn to a scale which shall not be smaller than sixteen inches to the mile.

(3) Every such section shall be drawn to a horizontal scale which shall not be smaller than sixteen inches to the mile and to a vertical scale which shall not be smaller than one inch to eight feet.

(4) Every plan and section so made or corrected, or a copy thereof, marked with the date when it was so made or corrected, shall be kept by the licensee at his principal office or place of business within the area of supply, and shall at all reasonable times be open to the inspection of all applicants, and copies thereof shall be supplied on such terms and conditions as may be prescribed by rules under the Indian Electricity Act, 1910.

(5) The licensee shall, if required by an Electric Inspector and, where the licensee is not a local authority, by the local authority (if any) concerned, supply free of charge to such Electric Inspector or local authority a copy of every such plan or section duly corrected so as to agree with the original kept at the principal office or place of business of the licensee.

*Additional notice of certain works.*

Notice to  
Electric  
Inspector.

XVII. On the day next preceding the commencement of any such works as are referred to in section 13 of the Indian Electricity Act, 1910, the licensee shall, in addition to any other notices which he may be required to give, serve upon the Electric Inspector, or such officer as the Local Government may appoint in this behalf for the area of supply, a notice in writing stating that he is about to commence the works, and the nature and position of the same.

ACT X OF 1910.<sup>1</sup>

[18th March, 1910.]

An Act to consolidate and amend the law relating to the Indian Museum.

WHEREAS it is expedient to consolidate and amend the law relating to the Indian Museum; It is hereby enacted as follows:—

PRELIMINARY.

Short title  
and com-  
mencement.

1. (1) This Act may be called the Indian Museum Act 1910.

<sup>1</sup> For Statement of Objects and Reasons, see Gazette of India, 1909, Pt. V, p. 109; for Report of Select Committee, see *ibid*, 1910, Pt. V, p. 65; and for Proceedings in Council, see *ibid*, 1909, Pt. VI, p. 162, and *ibid*, 1910, Pt. VI, pp. 91, 159 and 284, dated 26th February 1910, 19th March 1910 and 9th April 1910, respectively.

(2) It shall come into force on such <sup>1</sup>date as the Governor General in Council, by notification in the Gazette of India, may direct.

*Incorporation of the Trustees.*

2. (1) The Trustees of the Indian Museum (hereinafter called the Trustees) shall be—

Constitution and incorporation of the Trustees of the Indian Museum.

(a) the six persons for the time being performing the duties of the following offices, namely :—

- (i) the Accountant General of Bengal ;
- (ii) the Principal, Government School of Art, Calcutta ;
- (iii) the Director, Geological Survey of India ;
- (iv) the Superintendent of the Zoological and Anthropological Section of the Museum ;
- (v) the Director General of Archaeology ; and
- (vi) the Officer in charge of the Industrial Section of the Museum ;

(b) one other person to be nominated by the Governor General in Council ;

(c) three other persons to be nominated by <sup>2</sup> [the Governor of Fort William in Bengal].

(d) one other person to be nominated by the Council of the Asiatic Society of Bengal ;

(e) one other person to be nominated by the Bengal Chamber of Commerce ;

(f) one other person to be nominated by the British Indian Association, Calcutta ;

(g) one other person to be nominated by the Syndicate of the Calcutta University ; and

(h) three other persons to be nominated by the Trustees.

(2) The Trustees shall be a body corporate, by the name of "The Trustees of the Indian Museum," with perpetual succession and a common seal, and in that name shall sue and be sued, and shall have power to acquire and hold property, to enter into contracts, and to do all acts necessary for and consistent with the purposes of this Act.

(3) The nominated Trustees shall, save as herein otherwise provided, hold office for a period of three years :

Provided that the authority nominating a Trustee may extend his term of office for one or more like periods.

3. (1) The powers of the said body corporate may only be exercised so long and so often as there are nine members thereof.

Minimum number of Trustees and quorum.

<sup>1</sup> The 1st June, 1910, see Gazette of India, 1910, Pt. I, p. 411.

<sup>2</sup> These words were substituted for the words "the Lieutenant Governor of Bengal" by s. 7, Schedule E, of the Bengal, Bihar and Orissa and Assam Laws Act, 1912 (Act VII of 1912), Ben. Code.



(2) The quorum necessary for the transaction of business at a meeting of the Trustees shall not be less than six.

Power to  
appoint new  
Trustees.

4. If a nominated Trustee—

- (a) dies, or
- (b) is absent from the meetings of the Trustees for more than twelve consecutive months, or
- (c) desires to be discharged, or
- (d) refuses or becomes incapable to act, or
- (e) is appointed to perform the duties of any office specified in section 2, clause (a),

the authority which nominated the Trustee may nominate a new Trustee in his place.

Vacation of  
office by  
existing  
Trustees.

5. From the commencement of this Act the term of office of all persons appointed to be Trustees under the Indian Museum Act, 1876, shall cease. XXII of 1876.

*Property and powers of the Trustees.*

Property  
vested in,  
or placed  
under the  
control of,  
the Trustees.

6. (1) All the property, whether moveable or immoveable, which at the commencement of this Act is held by the Trustees of the Indian Museum constituted by the Indian Museum Act, 1876, on trust for the purposes of the said Museum shall, together with any such property which may hereinafter be given, bequeathed, transferred or acquired for the said purposes, vest in the Trustees of the Indian Museum constituted by this Act on trust for the purposes of the said Museum: XXII of 1876.

Provided that the Trustees may expend the capital of any portion of such property which may consist of money on the maintenance, improvement and enlargement of the collections deposited in, presented to or purchased for, the said Museum or otherwise for the purposes of the same as they may think fit.

(2) The Trustees shall have the exclusive possession, occupation and control, for the purposes of such trust, of the land specified in the schedule, including any buildings which may have been, or may hereafter be, erected thereon, other than those portions thereof which have been set apart by the Trustees for the records and offices of the Geological Survey of India.

Power to  
Trustees  
to exchange,  
sell and  
destroy  
articles in  
collections.

7. Subject to the provisions of any bye-laws made in this behalf, the Trustees may, from time to time,—

- (a) deliver, by way of loan, to any person the whole or any portion of, or any article contained in, any collection vested in them under this Act;
- (b) exchange or sell duplicates of articles contained in any such collection and take or purchase, in the place of such duplicates, such articles as may in their opinion be worthy of preservation in the Museum;

- (c) present duplicates of articles contained in any such collection to other Museums in British India ; and
- (d) remove and destroy any article contained in any such collection.

8. (1) The Trustees may from time to time, with the previous sanction of the Governor General in Council, make bye-laws consistent with this Act for any purpose necessary for the execution of their trust. Power to Trustees to make bye-laws.

(2) In particular, and without prejudice to the generality of the foregoing power, such rules may provide for—

- (a) the summoning, holding and adjournment of general and special meetings of the Trustees ;
- (b) the securing of the attendance of Trustees at such meetings ;
- (c) the provision and keeping of minute-books and account-books ;
- (d) the compiling of catalogues ;
- (e) the lending of articles contained in the collections vested in the Trustees ;
- (f) the exchange and sale, and the presentation to other Museums in British India, of duplicates of articles contained in such collections ;
- (g) the removal and destruction of articles contained in such collections ; and
- (h) the general management of the Museum.

9. Subject to such regulations and conditions as may be prescribed by them in this behalf, the Trustees shall appoint such officers and servants as may be necessary or proper for the care or management of the trust-property, and may assign to such officers and servants such pay as they may think fit : Power to Trustees to appoint officers and servants.  
Provided that—

- (a) no officer shall be appointed—
  - (i) if such officer is, at the date of his appointment, in India, without the approval of the Governor General in Council, or
  - (ii) if such officer is not then in India, without the approval of the Secretary of State for India in Council ; and
- (b) no new office shall be created, and no salaries of officers shall be altered, without the previous sanction of the Governor General in Council.

#### *Duties of the Trustees.*

10. (1) The Trustees shall furnish on or before the first day of December in each year— Trustees to furnish annual reports and accounts.

- (a) to the Government of India a report of their several proceedings for the previous financial year, and
- (b) to such auditor as the Governor General in Council appoints in this behalf, accounts of all moneys expended by the Trustees during the previous financial year, supported by the necessary vouchers

(2) The Trustees shall cause such report and accounts to be published annually for general information.

Collections of Asiatic Society to be kept distinguished in the Museum.

**11. (1)** The Trustees shall cause every article in the collections in the said Indian Museum formerly belonging to the Asiatic Society of Bengal and all additions that may hereafter be made thereto otherwise than by purchase under section 6, to be marked and numbered and (subject to the provisions contained in sections 7 and 16) to be kept and preserved in the said Museum with such marks and numbers.

(2) An inventory of such additions shall be made by the said Society, one copy whereof shall be signed by the Trustees and delivered to the said Society, and another copy shall be signed by the Council of the said Society and delivered to the Trustees, and shall be kept by them along with the inventory delivered to the predecessors in office of the Trustees when the said collections were deposited in the said Museum.

Articles received in exchange or purchased and moneys realized from sale to be held on trust.

**12.** All objects taken in exchange and articles purchased under section 7 and all moneys realised from sales made in accordance with the terms of the same section shall be held on trust and subject to powers and declarations corresponding as nearly as may be with the trusts, powers and declarations by this Act limited and declared.

#### *Supplemental Provisions.*

Officers under Act to be public servants and subject to Civil Service Regulations.

**13.** All officers and servants appointed under this Act shall be deemed to be public servants within the meaning of the <sup>1</sup> Indian Penal Code; and, so far as regards their salaries, allowances and pensions, and their leave of absence from duty, they shall be subject to the rules which under the Civil Service Regulations for the time being in force would be applicable if their service was service under Government. <sup>XLV of 1860.</sup>

Power to Trustees to keep collections not belonging to them.

**14.** Notwithstanding anything hereinbefore contained, the Trustees may, if they think fit, with the previous sanction of the Governor General in Council and subject in each case to such conditions as he may approve and to such rules as he may prescribe, assume the custody and administration of collections which are not the property of the Trustees for the purposes of their trust under this Act, and keep and preserve such collections either in the Indian Museum or elsewhere :

Provided that, if the trust constituted by this Act is at any time determined, any such collections shall not by reason of their then being in the Indian Museum become the property of His Majesty.

Power to Trustees to part with certain property in their possession.

**15.** The Trustees may, with the previous sanction of the Governor General in Council, and subject to such conditions as he may approve, deliver possession of the whole or any part of the property described in the schedule to such person as the Lieutenant-Governor of Bengal may appoint in that behalf.

<sup>1</sup> Genl. Acts, Vol. I.

16. If the trust constituted by this Act is at any time determined,—

- (a) the collections and additions mentioned in section 11 shall become the property of the said Asiatic Society or their assigns, and  
 (b) all the other collections then in the said Indian Museum shall, save as otherwise provided by section 14, become the property of His Majesty.

Property in collections on determination of trust.

17. [Repeals] *Rep. Act X of 1914, Sch. 11.*

### THE SCHEDULE.

(See sections 6 and 15.)

Land bounded—

on the north side by the premises No. 2, Sudder Street, and by Sudder Street ;

on the west side by Chowringhee Road and by the premises No. 29, Chowringhee Road (occupied by the Bengal United Service Club) ;

on the south side by the premises No. 29, Chowringhee Road, by Kyd Street, and by the Premises No. 4, Chowringhee Lane, and

on the east side by the premises No. 15, Kyd Street, and the premises Nos. 4, 3, 2 and 1, Chowringhee Lane,

together with all buildings, roads and tanks existing or erected thereon, and all easements appertaining thereto.

### ACT No. XII OF 1910.<sup>1</sup>

[23rd March, 1910.]

An Act to amend the Law relating to Glanders and Farcy.

WHEREAS it is expedient to amend the law relating to Glanders and Farcy ;  
 It is hereby enacted as follows :—

1. This Act may be called the Glanders and Farcy Law Amendment Act, 1910. Short title.

XI of 1901.

2. Part II of the Second Schedule to the <sup>2</sup>Repealing and Amending Act, 1901, is hereby repealed.

Repeal of part of Schedule II, Act XI, 1901.

XIII of 1899.

3. In section 3 of the <sup>2</sup> Glanders and Farcy Act, 1899, after the words “ any provision of this Act,” the words “ so far as all or any of the diseases

Amendment of section 3, Act XIII, 1899.

<sup>1</sup> For Statement of Objects and Reasons, see Gazette of India, 1910, Pt. V, p. 73 ; and for Proceedings in Council, see *ibid*, 1910, Pt. VI, pp. 285 and 336, dated 9th April 1910.

<sup>2</sup> Genl Acts, Vol. V.

mentioned in, or specified in a notification under section 2, sub-section (1), are concerned," shall be inserted.

ACT No. XIII OF 1910.<sup>1</sup>

[23rd March, 1910.]

An Act to amend the Prisons Act, 1894.

WHEREAS it is expedient to amend the <sup>2</sup> Prisons Act, 1894 ; It is hereby enacted as follows :—

Short title.  
 Amendment  
 of section 52,  
 Act IX,  
 1894.

1. This Act may be called the Prisons (Amendment) Act, 1910.
2. In section 52 of the <sup>2</sup> Prisons Act, 1894, the following amendments IX of 1894. shall be made, namely :—

- (1) after the words " Magistrate of the first class " the words " or Presidency Magistrate " shall be inserted ; and
- (2) for the first proviso the following shall be substituted, namely :—  
 " Provided that any such case may be transferred for inquiry and trial by the District Magistrate to any Magistrate of the first class and by a Chief Presidency Magistrate to any other Presidency Magistrate : and."

ACT No. XIV OF 1910.<sup>3</sup>

[22nd July, 1910.]

An Act to amend the Indian Emigration Act, 1908.

WHEREAS it is expedient to amend the <sup>4</sup> Indian Emigration Act, 1908 ; XVII of 1908. It is hereby enacted as follows :—

Short title.

1. This Act may be called the Indian Emigration (Amendment) Act, 1910.

Substitution  
 of new sec-  
 tion 5, Act  
 XVII, 1908.

2. For section 5 of the <sup>4</sup> Indian Emigration Act, 1908, the following XVII of 1908. section shall be substituted, namely :—

Power for  
 Governor  
 General in  
 Council to

- " 5. Where the Governor General in Council has reason to believe that sufficient grounds exist for prohibiting emigration to any country to which emigration is lawful, he may, by notification in the Gazette of India, declare

<sup>1</sup> For Statement of Objects and Reasons, see Gazette of India, 1910, Pt. V, p. 75 ; and for Proceedings in Council, see *ibid.*, 1910, Pt. VI, pp. 285 and 337, dated 9th April 1910.

<sup>2</sup> Genl. Acts, Vol. IV.

<sup>3</sup> For Statement of Objects and Reasons, see Gazette of India, 1910, Pt. V, p. 107 ; and for Proceedings in Council, see *ibid.*, 1910, Pt. VI, pp. 340 and 2, dated 9th April 1910 and 30th July 1910, respectively.

<sup>4</sup> Genl. Acts, Vol. VI.

**1910 : Act XIV.]**

*Emigration.*

75

**1910 : Act XV.]**

*Cantonments.*

that emigration to that country shall cease to be lawful from a day specified in the notification ; and from that day emigration to that country shall accordingly cease to be lawful.” prohibit emigration to any country.

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## THE CANTONMENTS ACT, 1910 (XV OF 1910).

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### CONTENTS.

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#### CHAPTER I.

##### PRELIMINARY.

##### SECTIONS.

1. Short title and extent.
2. Interpretation.

---

#### CHAPTER II.

##### CANTONMENTS AND CANTONMENT AUTHORITIES, COURTS AND POLICE.

##### *Cantonments.*

3. Definition of cantonments.

##### *Cantonment Authorities and Magistrates.*

4. Cantonment authority and Magistrate.
5. Cantonment authority.
6. Cantonment Magistrate.

##### *Cantonment Court of Small Causes.*

7. Appointment of Cantonment Magistrate as Judge of Cantonment Court of Small Causes.
8. Appointment of Additional Judge of Cantonment Court of Small Causes.
9. Continuance of jurisdiction of Cantonment Court of Small Causes in certain cases notwithstanding reduction of jurisdiction of Judge.

##### *Cantonment Police.*

10. Police.

## CHAPTER III.

## SPIRITUOUS LIQUORS AND INTOXICATING DRUGS.

## SECTIONS.

11. Unauthorised sale of spirituous liquor or intoxicating drug.
12. Unauthorised possession of spirituous liquor.
13. Arrest of persons and seizure and confiscation of things for offences  
against the two last foregoing sections.
14. Saving of articles sold or supplied for medicinal purposes.

## CHAPTER IV.

## TAXATION AND CANTONMENT FUND.

*Taxation.*

15. General power of taxation.
16. Extension of Act XX of 1856 to certain cantonments.
17. Restriction of power of taxation in cantonments in which Act XX of  
1856 is in force.
18. Power to prohibit or exempt from taxation.

*Cantonment Fund.*

19. Cantonment fund.
20. Custody of cantonment fund.
21. Vesting and management of cantonment fund.
22. Acquisition of immoveable property at cost of cantonment fund.

## CHAPTER V.

## SUPPLEMENTAL PROVISIONS.

23. Extension of enactments to cantonments.
24. Matters respecting which rules may be made.
25. Supplemental provisions respecting rules.
26. Extension of certain enactments and rules to places beyond canton-  
ments.
27. Cantonments in presidency-towns.
28. Protection of Cantonment authority, Magistrate and Commanding  
officer.
29. Registration.
30. Limitation of the operation of this Act.

## CHAPTER VI.

## REPEALS AND SAVINGS.

## SECTIONS.

- 31. Repeals.
- 32. Savings.

## THE SCHEDULE.—ENACTMENTS REPEALED.

ACT No. XV OF 1910.<sup>1</sup>

[5th August, 1910.]

An Act to consolidate and amend certain Acts relating to Cantonments.

WHEREAS it is expedient to consolidate and amend certain Acts relating to cantonments ; It is hereby enacted as follows :—

## CHAPTER I.

## PRELIMINARY.

1. (1) This Act may be called the Cantonments Act, 1910. Short title and extent.
- (2) It extends to the whole of British India.
2. In this Act, unless there is anything repugnant in the subject or context,— Interpretation.
  - (a) “ officer ” means —
    - (i) a person who, being an officer within the meaning of the <sup>2</sup>Army Act, is commissioned and in pay as an officer doing military duty with His Majesty’s regular forces as defined in that Act or as an officer doing such duty in any arm, branch or part of those forces ; and
    - (ii) a person doing military duty as a warrant officer with those forces or with any arm, branch or part thereof, whether he is or is not an officer within the meaning of the Army Act :
  - (b) “ soldier ” means a person who is a soldier of His Majesty’s regular forces within the meaning of the Army Act, and is not an officer within the meaning of this Act :

<sup>4</sup> & <sup>45</sup>  
Act., c. 58.

<sup>1</sup> For Statement of Objects and Reasons, see Gazette of India, 1910, Pt. V, p. 120 ; and for Proceedings in Council, see *ibid*, 1910, Pt. VI, pp. 3 and 13, dated 30th July 1910 and 13th August 1910, respectively.

<sup>2</sup> Coll. Stats., Vol. I.



- (c) "spirituous liquor" means any fermented liquor, any wine, any alcoholic liquid obtained by distillation, and the sap of any kind of palm-tree, and includes any other liquid consisting of or containing alcohol which the Local Government, with the previous sanction of the Governor General in Council, may, by notification in the official Gazette, declare to be a spirituous liquor for the purposes of this Act :
- (d) "intoxicating drug" means opium, ganja, bhang, charas and every preparation and admixture thereof, and includes any other intoxicating substance or liquid which the Local Government, with the previous sanction of the Governor General in Council, may, by notification in the official Gazette, declare to be an intoxicating drug for the purposes of this Act : and
- (e) "owner" includes the person who is receiving or entitled to receive the rent of any building or land, whether on his own account or on behalf of himself and others or as an agent or trustee, or who would so receive the rent or be entitled to receive it if the building or land were let to a tenant.

## CHAPTER II.

### CANTONMENTS AND CANTONMENT AUTHORITIES, COURTS AND POLICE.

#### *Cantonments.*

Definition of  
Cantonments.

**3.** (1) The Local Government, with the previous sanction of the Governor General in Council, may, by notification in the official Gazette, declare any place in which any of His Majesty's regular forces are quartered within the territories administered by such Government to be a cantonment for the purposes of this Act and of all other enactments for the time being in force.<sup>1</sup>

(2) The Local Government, with the like sanction, may also, by a like notification,<sup>2</sup> define the limits of any cantonment for the like purposes.

<sup>1</sup> For Amendments made by the Repealing and Amending Act, 1914, Sch. I, see corrigenda. For notifications under this and the repealed Act, XIII of 1889, declaring places to be cantonments in—

(1) Bombay, see Bom. R. and O., Vol. I ;  
 (2) Burma, see Bur. R. M., Vol. I ;  
 (3) United Provinces of Agra and Oudh, see U. P. List of Local R. & O., Vol. I.

<sup>2</sup> For notifications defining the limits or fixing the boundaries of Cantonments under this and the repealed Act, XIII of 1889, in—

(1) Assam, see Assam Local R. & O., and Supplement.  
 (2) Bombay, see Bombay Local R. & O., Vol. I.  
 Aden, see Bombay Government Gazette, 1901, Pt. I, p. 2396 ; *ibid*, 1903, Pt. I, p. 1427.  
 (3) Burma, see Bur. R. M., Vol. I.  
 (4) Central Provinces, see Central Provinces Local R. & O.  
 (5) Madras, see Madras R. & O., Vol. I.  
 (6) Punjab, see Punjab List of Local R. & O.  
 (7) United Provinces of Agra and Oudh, see U. P. List of Local R. & O., Vol. I, United Provinces Government Gazette, 1907, Pt. III, pp. 22—39.  
 (8) North-West Frontier Province (as to Nowshera Cantonment), see Gazette of India, 1903, Pt. II, p. 969.

*Cantonment Authorities and Magistrates.*

4. For every cantonment beyond the limits of a Presidency-town there shall be a cantonment authority and a Cantonment Magistrate. Cantonment authority and Magistrate.

5. (1) The expression "cantonment authority" as used in this Act means a cantonment committee or, where a cantonment committee has not been constituted or has in pursuance of an order of the Local Government ceased to exist, or for any reason cannot be convened, then, subject to any rules made under section 24, clause (5), the commanding officer of the cantonment. Cantonment authority.

(2) The Local Government shall determine, with respect to every cantonment in which troops are for the time being quartered, whether or not a cantonment committee is to be constituted.<sup>1</sup>

(3) The cantonment authority shall be deemed to be a local authority as defined in the <sup>2</sup>Cattle Trespass Act, 1871, the <sup>3</sup>Local Authorities Loan Act, 1879, the <sup>4</sup>Indian Telegraph Act, 1885, and the <sup>5</sup>General Clauses Act, 1897.

1 of 1871.  
XI of 1879.  
XIII of 1885.  
X of 1897.

6. The Cantonment Magistrate shall be a Magistrate appointed by the Local Government under section 12 of the <sup>3</sup>Code of Criminal Procedure, 1898, and, as such, subordinate to the District Magistrate or to the District Magistrate and the Sub-divisional Magistrate, as the case may be, under section 17 of that Code. Cantonment Magistrate.

V of 1898.

*Cantonment Court of Small Causes.*

7. (1) When the Local Government appoints the Cantonment Magistrate to be the Judge of a Court of Small Causes established within a cantonment under the <sup>4</sup>Provincial Small Cause Courts Act, 1887, it shall, in its order appointing him to be such Judge, declare, and may by notification in the official Gazette vary, within a limit of five hundred rupees, the value of the suits which are to be cognizable by him under that Act.<sup>5</sup> Appointment of Cantonment Magistrate as Judge of Cantonment Court of Small Causes.

IX of 1887.

(2) The provisions of section 15, sub-section (3) of the said Act, shall not apply to a Court of Small Causes of which a Cantonment Magistrate is the Judge.

8. When the Local Government appoints an Additional Judge of a Court of Small Causes, of which a Cantonment Magistrate is the Judge, it shall, in its order appointing him to be such Additional Judge, declare, and may by notification in the official Gazette vary, within a limit of fifty rupees, the value of the suits with respect to which the functions of the Judge of the Court may be assigned to, and discharged by, the Additional Judge under section 8 of the <sup>4</sup>Provincial Small Cause Courts Act, 1887. Appointment of Additional Judge of Cantonment Court of Small Causes.

IX of 1887.

<sup>1</sup> For instance of the issue of such notifications under Act XIII of 1889, see Punjab List of Local R. & O., U. P. List of Local R. & O., Vol. I.

<sup>2</sup> Genl. Acts, Vols. II, III and IV, respectively.

<sup>3</sup> Genl. Acts, Vol. V.

<sup>4</sup> Genl. Acts, Vol. IV.

<sup>5</sup> For notification delegating to the Commissioner in Sindh the power conferred on the Local Government by this section, see Bombay Government Gazette, 1909, Pt. I, p. 701 (issued under Act 13 of 1889).

Continuance  
of jurisdic-  
tion of Can-  
tonment  
Court of  
Small Causes  
in certain  
cases not-  
withstanding  
reduction of  
jurisdiction  
of Judge.  
Police.

9. A Cantonment Magistrate as Judge of a Court of Small Causes may, whatever may be the value of the suits cognizable by him as such Judge, dispose of any suit which was within the pecuniary limits of the jurisdiction of the Judge presiding over the Court at the time of the institution of the suit and may entertain and dispose of any proceeding after decree in any such suit.

#### *Cantonment Police.*

10. (1) The police-force employed in a cantonment beyond the limits of a Presidency-town shall, for the purposes of the Madras District Police Act, 1859,<sup>1</sup> or the Police Act, 1861,<sup>2</sup> or the Bombay District Police Act, 1859,<sup>3</sup> as the case may be, be deemed to be part of the general police-establishment under the superintendence of the Local Government in whose territories the cantonment is situated.

(2) The area comprised within the limits of a cantonment shall be deemed to be a town for the purposes of section 34 of the <sup>2</sup>Police Act, 1861.

V of 18

### CHAPTER III.

#### SPIRITUOUS LIQUORS AND INTOXICATING DRUGS.

Unauthorised  
sale of spirit-  
uous liquor  
or intoxicat-  
ing drug.

11. If within a cantonment, or within such limits around a cantonment as the Local Government may, by notification in the official Gazette, prescribe in this behalf, any person not subject to military law or any person subject to military law otherwise than as an officer or soldier knowingly barter, sells or supplies, or offers or attempts to barter, sell or supply, any spirituous liquor or intoxicating drug to or for the use of any soldier or follower or soldier's wife, without the written permission of the commanding officer of the cantonment or of some person authorised by the commanding officer to grant such permission, he shall be punishable with fine which may extend to one hundred rupees, or with imprisonment for a term which may extend to three months or with both.

Unauthorised  
possession of  
spirituous  
liquor.

12. If within a cantonment, or within such limits around a cantonment as the Local Government may, by notification in the official Gazette, prescribe in this behalf,—

- (a) any person subject to military law otherwise than as an officer or soldier, or
- (b) the wife or servant of any such person or of a soldier,

<sup>1</sup> Mad. Code.

<sup>2</sup> Genl. Acts, Vol. I.

<sup>3</sup> Bom. Code.

has in his or her possession except on behalf of the Government or for the private use of an officer more than one quart of any spirituous liquor other than fermented malt-liquor without the written permission of the commanding officer of the cantonment or of some person authorised by the commanding officer to grant such permission, he or she shall be punishable in the case of a first offence against this section with fine which may extend to fifty rupees, and in the case of a subsequent offence against this section with fine which may extend to one hundred rupees, or with imprisonment for a term which may extend to three months.

**13.** (1) Any police-officer or excise-officer may, without an order from a Magistrate and without a warrant, arrest any person whom he finds committing an offence against section 11 or section 12, and may seize and detain any spirituous liquor or intoxicating drug in respect of which such an offence has been committed, and any vessels or coverings in which the liquor or drug is contained.

Arrest of persons and seizure and confiscation of things for offences against the two last foregoing sections.

(2) Where a person accused of an offence against section 11 has been previously convicted of an offence against that section, an officer in charge of a police-station may, with the written permission of a Magistrate, seize and detain any spirituous liquor or intoxicating drug within the cantonment, or within the limits prescribed under section 11, which at the time of the alleged commission of the subsequent offence belonged to, or was in the possession of, the person.

(3) The Court convicting a person of an offence against section 11 or section 12 may order the confiscation of the whole or any part of anything seized under sub-section (1) or sub-section (2).

(4) Subject to the provisions of Chapter XLIII of the Code of Criminal Procedure, 1898,<sup>1</sup> anything seized under sub-section (1) or sub-section (2) and not confiscated under sub-section (3) shall be restored to the person from whom it was taken.

**14.** The foregoing provisions of this Chapter shall not apply to the sale or supply of any article for medicinal purposes by a medical practitioner, chemist or druggist.

Saving of articles sold or supplied for medicinal purposes.

## CHAPTER IV.

### TAXATION AND CANTONMENT FUND.

#### *Taxation.*

**15.** (1) With the previous sanction of the Governor General in

General power of taxation.

<sup>1</sup> Genl. Acts, Vol. V.

Council, the Local Government may, by notification in the official Gazette,—

- (a) impose in any cantonment which is not included in a municipality any tax which, under any enactment in force at the date of the notification, can be imposed in any municipality within the territories administered by such Government; and
- (b) abolish or modify any tax so imposed.

(2) When any tax is leviable in a cantonment in pursuance of a notification under sub-section (1), the Local Government, subject to the like sanction, may, by a like notification, apply or adapt to the cantonment the provisions of any enactment or rules in force at the date of the notification in any municipality within the territories administered by such Government relating to—

- (a) the assessment, collection or recovery of any tax;
- (b) the refund or revision of, or exemption from, any such tax; and
- (c) the punishment of any breach of such enactment or rules.

Extension of Act XX of 1856 to certain cantonments.

**16.** (1) The Local Government may, by notification in the official Gazette, extend the provisions of the <sup>1</sup>Bengal Chaukidari Act, 1856, to any XX of cantonment which is not included in a municipality and which is situated in any part of British India in which that Act is in force, and the Cantonment Magistrate may exercise all the powers of the Magistrate under that Act, subject only to the control of the District Magistrate and the Local Government.

(2) The Local Government may order that a cantonment to which the provisions of the <sup>1</sup>Bengal Chaukidari Act, 1856, have been extended shall be XX of 1856. divided into any number of cantonment divisions, and may determine the nature of the tax to be levied in each such division according to section 10 of that Act.

Restriction of power of taxation in cantonments in which Act XX of 1856 is in force.

**17.** While a tax assessed according to the circumstances, and the property to be protected, of the persons liable thereto, or according to the annual value of houses and grounds, is levied under the <sup>1</sup>Bengal Chaukidari Act, 1856, in a cantonment, a tax on persons practising any profession or art or XX of 1856. carrying on any trade or calling or a tax on buildings and lands, as the case may be, shall not be leviable in the cantonment in pursuance of a notification under section 15 of this Act.

Power to prohibit or exempt from taxation.

**18.** (1) Notwithstanding anything in any enactment for the time being in force, the Governor General in Council may, by notification in the Gazette of India, prohibit the levy of the whole or any part of any tax imposed in a cantonment, or exempt any person by name or in virtue of his office or any class of persons, or any property or any class of property, from the operation of any such tax.

<sup>1</sup> P. and N. W. Code, Aj. Code and U. P. Code.

XI of 1881. (2) Where the area subject to the authority of a municipal committee as defined in section 2 of the <sup>1</sup>Municipal Taxation Act, 1881, includes the whole or part of a cantonment, nothing in section 4 or section 5 of that Act or in any other like enactment for the time being in force shall apply to so much of that area as is comprised in the cantonment.

*Cantonment Fund.*

19. (1) There shall be formed for every cantonment which is not included in a municipality a cantonment fund, and there shall be placed to the credit thereof, among other sums, the following, namely:—

- V of 1898. (a) subject to deductions under section 545 of the <sup>2</sup>Code of Criminal Procedure, 1898, or under any other enactment for the time being in force or under any order of the Local Government, all fines recovered from persons convicted of offences committed within the cantonment against this Act or against any enactment extended or rule made thereunder, or against the provisions of section 34 of the <sup>3</sup>Police Act, 1861, or the corresponding enactment for the time being in force in the territories administered by the Governor of Fort St. George in Council or by the Governor of Bombay in Council, or against the provisions of Chapter XIII or Chapter XIV of the <sup>3</sup>Indian Penal Code or of section 156 of the Army Act;
- V of 1861. (b) the proceeds of taxes imposed under section 15 or levied under the <sup>4</sup>Bengal Chaukidari Act, 1856, in the cantonment; and
- XLV of 1860.  
44 & 45 Vict.,  
c. 58. (c) rents and profits accruing from property placed by the Government under the management of the cantonment authority.
- XX of 1856.

(2) Notwithstanding anything in any enactment as to the purposes to which the proceeds of a tax are to be appropriated, the cantonment fund shall be applicable, subject to the rules under this Act, to the maintenance of the police-force employed in the cantonment and to the other purposes of this Act within the cantonment and, with the general or special sanction of the Local Government, to like objects, within or without British India, beyond the limits of the cantonment in cases in which, in the opinion of the Local Government, the application of the fund beyond those limits is for the benefit of the inhabitants of the cantonment or of any military force ordinarily quartered therein or of any detachment of any such force.

20. (1) Where, in or near a cantonment, there is a Government treasury or sub-treasury or a bank to which the Government treasury business has been made over, the cantonment fund shall be kept in the treasury, sub-treasury or bank.

<sup>1</sup> Gen. Acts, Vol. III.

<sup>2</sup> Gen. Acts, Vol. V.

<sup>3</sup> Gen. Acts, Vol. I.

<sup>4</sup> P. and N. W. Code, Aj. Code and U. P. Code.

(2) Where there is no such treasury, sub-treasury or bank, the cantonment fund may be deposited with any banker or person acting as a banker, who has given such security for the safe custody and repayment on demand of the fund so deposited as the District Magistrate may in each case think sufficient.

Vesting and management of cantonment fund.

**21.** The cantonment fund shall be vested in His Majesty, and, subject to the provisions of this Act and of the rules thereunder and to the control of the Local Government, the management of the fund shall be entrusted to the cantonment authority.

Acquisition of immoveable property at cost of cantonment fund.

**22.** The cantonment fund shall be deemed to be "public revenues" within the meaning of the proviso to section 6 of the Land Acquisition Act, 1894,<sup>1</sup> and any property acquired at the cost of the cantonment fund shall vest in His Majesty.

## CHAPTER V.

### SUPPLEMENTAL PROVISIONS.

Extension of enactments to cantonments.

**23.** <sup>2</sup>The Governor General in Council may, by notification in the Gazette of India, extend to all cantonments or to any cantonment or to any part of any cantonment any enactment for the time being in force in any municipality in British India, and declare its extension to be subject to such restrictions and modifications, if any, as he thinks fit.

Matters respecting which rules may be made.

**24.** The Governor General in Council may make rules<sup>2</sup> consistent with this Act to provide for all or any of the following matters, namely :—

- (1) the manner in which, and the authority to which, application for permission to occupy land belonging to the Government in a cantonment is to be made ;
- (2) the conditions to be annexed to every such permission given in pursuance of such an application ;
- (3) the preparation and maintenance of registers of immoveable property in cantonments ;
- (4) the constitution of cantonment committees, the functions to be discharged by them, the conduct of, and the control to be exercised over, their proceedings, and the division of duties among the members of such committees ;

<sup>1</sup> Gen. Acts, Vol. IV.

<sup>2</sup> For enactments extended or applied and rules made under ss. 23, 24 and 25, respectively, for all cantonments in British India, see the Cantonment Code, 1912, Gazette of India, 1912, Pt. I, p. 187.

For cantonments exempted from certain sections of the Cantonment Code, 1912, see Gazette of India, 1912, Pt. I, p. 1044.

- (5) the functions to be discharged by the commanding officer of a cantonment where a cantonment committee has not been constituted, or has in pursuance of an order of the Local Government ceased to exist, or for any reason cannot be convened ;
- (6) the executive duties of the Cantonment Magistrate and his position in relation to the commanding officer of the cantonment ;
- (7) the purposes to which the cantonment fund may be applied ;
- (8) the authority on which money may be paid from the cantonment fund ;
- (9) the investment of any balance of that fund ;
- (10) the execution of contracts by, or on behalf of, the cantonment authority ;
- (11) the accounts to be kept by the cantonment authority and the manner in which those accounts are to be audited and published ;
- (12) the definition and abatement of nuisances for which sufficient provision has not, in the opinion of the Governor General in Council, been made under section 23 ;
- (13) the requisitions which may be made on persons having the control of sewers, drains, latrines or other things creating, or likely to create, nuisances, and the mode of enforcing such requisitions ;
- (14) the prevention of the overcrowding of buildings and places in a cantonment ;
- (15) the construction and maintenance, to the satisfaction of the cantonment authority, of buildings and of boundary-walls, hedges and other fences ;
- (16) the regulation of the practice of agriculture and irrigation in a cantonment, the keeping of lands therein in proper order, and the felling, lopping and trimming of trees on such lands ;
- (17) the regulation of encamping-grounds, sarais,<sup>1</sup> markets and slaughter-houses, of traffic on roads and across unenclosed spaces under the control of the cantonment authority, and of processions and public assemblies ;
- (18) the use and management of burial and burning grounds ;
- (19) the supervision and the regulation of the use of public wells, tanks, rivers, streams, springs or other sources from which water is or may be made available for public use, and of the lands in the vicinity thereof ;
- (20) the parts of a cantonment in which persons practising any profession or carrying on any trade, calling or occupation may be required

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<sup>1</sup> For special Act for the regulation of public sarais, see Act 22 of 1867, Genl. Acts, Vol. I.



to reside for the purpose of practising the profession, or carrying on the trade, calling or occupation, and the conditions, if any, to be observed by such persons ;

- (21) the prevention of the spread of infectious or contagious disorders within a cantonment, and the appointment and regulation of hospitals or other places within or without a cantonment for the reception and treatment of persons suffering from any disease ;
- (22) the segregation in, or the removal and exclusion from, a cantonment, or the destruction of animals suffering or supposed to be suffering from any infectious or contagious disease ;
- (23) the suppression of mendicancy and of loitering or importuning for the purpose of prostitution, and the removal and exclusion from a cantonment of disorderly persons, of persons who have been convicted of any offence against Chapter XVII of the Indian Penal <sup>1</sup>Code, or section 156 of the <sup>2</sup>Army Act, or have been ordered under <sup>XLV</sup> of 1860, the Code of <sup>3</sup> Criminal Procedure, 1898, to execute a bond for their <sup>44 & 45</sup> <sup>Vict.,</sup> <sup>c. 58.</sup> good behaviour, and of persons whom the commanding officer <sup>V of 1898.</sup> deems it expedient to exclude from the cantonment with or without assigning any reason for excluding them therefrom ;
- (24) the <sup>4</sup> prevention of cruelty to animals and the care of animals while grazing ;
- (25) the prevention and extinction of fires ;
- (26) the registration of births and deaths ;
- (27) the appointment by owners of buildings and lands in cantonments, who are absent from cantonments, of persons residing within or near cantonments, to act as their agents for all or any of the purposes of this Act or any enactment extended or rule made thereunder ;
- (28) the powers of inspection, entry and search which may be exercised in carrying out any of those purposes, and the cases in which breaches of enactments extended or rules made under this Act are to be cognizable offences ;
- (29) the mode in which summonses, notices, requisitions and other documents are to be served on the persons to whom they are addressed ;

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<sup>1</sup> Genl. Acts, Vol. I.

<sup>2</sup> Coll. Stats., Vol. I.

<sup>3</sup> Genl. Acts, Vol. V.

<sup>4</sup> For special Act for the prevention of cruelty to animals, see Act 2 of 1890, Genl. Acts, Vol. IV.

(30) the cases, authorities and conditions in, to and on which executive orders passed under this Act or any enactment extended or rule made thereunder may be appealed from ; and

(31) generally, the carrying out of the purposes of this Act.

**25.** (1) The power to make<sup>1</sup> rules under section 24 is subject to the condition of the rules being made after previous publication and of their not taking effect until they have been published in the Gazette of India, and in such other manner as the Governor General in Council prescribes. Supplemental provisions respecting rules.

(2) A rule under section 24 may be general for all cantonments in British India or for all cantonments not expressly excepted from its operation, or may be special for the whole or any part of any one or more than one cantonment, as the Governor General in Council directs.

(3) A copy of the rules for the time being in force in a cantonment shall be kept open to inspection free of charge at all reasonable times in the office of the Cantonment Magistrate.

(4) In making any rule under clause (12) or any of the following clauses of section 24, the Governor General in Council may direct that a breach of it shall be punishable with fine which may extend to fifty rupees, or with imprisonment for a term which may extend to eight days, and, when the breach is a continuing breach, with fine which, in addition to such fine or imprisonment as aforesaid, may extend to five rupees for every day after the first during which the breach continues.

**26.** The Local Government may, by notification in the official Gazette, and subject to any conditions as to compensation or otherwise which it may see fit to impose, extend to any area beyond the cantonment and in the vicinity thereof— Extension of certain enactments and rules to places beyond cantonments.

(a) any enactment which, with or without restriction or modification, has been extended to the cantonment or any part thereof under section 23, or

(b) any rule in force in the cantonment or any part thereof under clause (12) or any of the following clauses of section 24, as well as any direction there in force under sub-section (4) of section 25 ;

and the enactment, rule or direction specified in the notification shall, so long as the notification remains uncanceled, apply to that area as if the area were included in the cantonment.

**27.** Where a cantonment is situated within the limits of a Presidency-town, the functions assigned to any authority by this Act or any enactment Cantonments in Presidency towns.

<sup>1</sup> See footnots 2 on p. 84 *supra*.

extended or rule made thereunder shall, subject to the provisions of any enactment for the time being in force, be discharged by such authority as the Local Government may appoint in this behalf.

Protection of  
cantonment  
authority,  
Magistrate  
and com-  
manding  
officer.

**28.** A suit or prosecution shall not be entertained in any Court against any cantonment authority, authority appointed under section 27, Cantonment Magistrate or commanding, medical or other officer for anything in 'good faith' done or purporting to be done in pursuance of powers conferred by or under this Act on such authority, Magistrate or officer, whether the thing done was or was not authorised by the powers so conferred.

Registration.

**29.** (1) Section 54, paragraphs 2 and 3, and sections 59, 107 and 123 of the <sup>2</sup> Transfer of Property Act, 1882, with respect to the transfer of property <sup>IV</sup> of 1882, by registered instrument, shall, on and from the commencement of this Act, extend to every cantonment in British India.

(2) Where a cantonment has not been constituted a sub-district or district for the purposes of the <sup>3</sup> Indian Registration Act, 1908, under section 9 of <sup>XVI</sup> of 1908 that Act, the Registrar of the district in which the cantonment is situated shall cause a copy of such entries in Indexes Nos. I and II as relate to immovable property within the limits of the cantonment to be forwarded to the Cantonment Magistrate annually or at such shorter intervals as the Local Government may prescribe.

Limitation of  
the operation  
of this Act.

**30.** The Governor General in Council may, by notification in the Gazette of India, exclude from the operation of the whole or any part of this Act the whole or any part of any cantonment.

## CHAPTER VI.

### REPEALS AND SAVINGS.

**31.** [*Repeals*] *Rep. Act X of 1914, Sch. II.*

Savings.

**32.** All licenses and permits given under the Cantonments Act, 1889, <sup>XIII</sup> of 1889 or under any enactment repealed by that Act, and in force at the commencement of this Act, shall be deemed to have been given under this Act.

<sup>1</sup> See definition of "good faith" in the Penal Code (Act 45 of 1860), s. 52, Genl. Acts, Vol. I, and s. 3 (20) of the Genl. Clauses Act, 1897 (10 of 1897), Gen. Acts, Vol. IV.

<sup>2</sup> Genl. Acts, Vol. III.

<sup>3</sup> Genl. Acts, Vol. VI.

1910 : Act XV.]  
1911~~k~~ Act II.]

*Cantonments.*  
*Patents and Designs.*

89

*THE SCHEDULE.*

*ENACTMENTS REPEALED.*

*Repealed by the Repealing and Amending Act, 1914 (X of 1914),  
Second Schedule.*

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THE INDIAN PATENTS AND DESIGNS ACT, 1911 (II OF  
1911).

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CONTENTS.

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PRELIMINARY.

SECTIONS.

1. Short title, extent and commencement.
  2. Definitions.
- 

PART I.

PATENTS.

*Application for and Grant of Patent.*

3. Application.

**SECTIONS.**

4. Specification.
5. Proceedings upon application.
6. Advertisement on acceptance of application.
7. Use of invention on acceptance of application.
8. Inquiry before sealing patent.
9. Opposition to grant of patent.
10. Grant and sealing of patent.
11. Date of patent.
12. Effect, extent and form of patent.
13. Fraudulent applications for patents.

*Term of Patent.*

14. Term of patent.
15. Extension of term of patent.
16. Restoration of lapsed patent.

*Amendment of Application or Specification*

17. Amendment of application or specification by Cont.....
18. Amendment of specification by the Court.
19. Restriction on recovery of damages.

*Register of Patents.*

20. Register of Patents.

*Crown.*

21. Patent to bind Crown.

*Compulsory Licenses and Revocation.*

22. Compulsory licenses and revocation.
23. Revocation of patents worked outside British India.
24. Power of Controller to revoke surrendered patent.
25. Revocation of patent on public grounds.

*Legal Proceedings.*

26. Petition for revocation of patent.
27. Notice of proceedings to persons interested.
28. Framing issue for trial before other Courts.
29. Suits for infringement of patents.
30. Exemption of innocent infringer from liability for damages.
31. Order for inspection, etc., in suit.
32. Certificate of validity questioned and costs thereon.
33. Transmission of decrees and orders to the Controller.

## SECTIONS. •

- 34. Power of High Court to stay proceedings, etc.
- 35. Hearing with assessor.
- 36. Remedy in case of groundless threats of legal proceedings.

*Miscellaneous.*

- 37. Grant of patents to two or more persons.
- 38. Novelty of invention.
- 39. Loss or destruction of patent.
- 40. Provisions as to exhibitions.
- 41. Models to be furnished to Indian Museum.
- 42. Foreign vessels in British Indian waters.

---

PART II.

## DESIGNS.

*Registration of Designs.*

- 43. Application for registration of designs.
- 44. Registration of designs in new classes.
- 45. Certificate of registration.
- 46. Register of Designs.

*Copyright in Registered Designs.*

- 47. Copyright on registration.
- 48. Requirements before delivery on sale.
- 49. Effect of disclosure on copyright.
- 50. Inspection of registered designs.
- 51. Information as to existence of copyright.

*Industrial and International Exhibitions.*

- 52. Provisions as to exhibitions.

*Legal Proceedings.*

- 53. Piracy of registered design.
- 54. Application of certain provisions of the Act as to patents to designs.

---

PART III.

## GENERAL.

*Patent Office and Proceedings thereat.*

- 55. Patent Office.
- 56. Officers and clerks.

*Fees.*

## SECTIONS.

## 57. Fees.

*Provisions as to Registers and other Documents in the Patent Office.*

- 58. Notice of trust not to be entered in registers.
- 59. Inspection of, and extracts from, registers.
- 60. Privilege of reports of Controller.
- 61. Prohibition of publication of specification, drawings, etc., where application abandoned, etc.
- 62. Power for Controller to correct clerical errors.
- 63. Entry of assignments and transmissions in registers.
- 64. Rectification of register by Court.

*Powers and Duties of Controller.*

- 65. Powers of Controller in proceedings under Act.
- 66. Publication of patented inventions.
- 67. Exercise of discretionary power by Controller.
- 68. Power of Controller to take directions of Governor General in Council.
- 69. Refusal to grant patent, etc., in certain cases.
- 70. Appeals to the Governor General in Council

*Evidence, etc.*

- 71. Certificate of Controller to be evidence.
- 72. Transmission of certified printed copies of specifications, etc.
- 73. Applications and notices by post.
- 74. Declaration by infant, lunatic, etc.

*Agency.*

- 75. Subscription and verification of certain documents.
- 76. Agency.

*Powers, etc., of Governor General in Council.*

- 77. Power for Governor General in Council to make rules.

*Offences.*

- 78. Wrongful use of words "Patent Office."

*Savings and Repeal.*

- 79. Saving for prerogative.

SECTIONS.

80. Repeal.

81. Substitution of patents for rights under repealed Act.

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THE SCHEDULE—FEES.

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ACT No. II OF 1911.<sup>1</sup>

[1st March, 1911.]

An Act to amend the law relating to the protection of  
Inventions and Designs.

WHEREAS it is expedient to amend the law relating to the protection of inventions and designs ; It is hereby enacted as follows :—

PRELIMINARY.

1. (1) This Act may be called the Indian Patents and Designs Act, 1911. Short title, extent and commencement.  
(2) It extends to the whole of British India, including British Baluchistan and the Santhal Parganas ; and

(3) It shall come into force on the first day of January 1912.

2. In this Act, unless there is anything repugnant in the subject or con- Definitions  
text,—

(1) “ Advocate General ” includes a Government Advocate :

(2) “ article ” means (as respects designs) any article of manufacture and any substance, artificial or natural, or partly artificial and partly natural :

(3) “ Controller ” means the Controller of Patents and Designs appointed under this Act :

(4) “ copyright ” means the exclusive right to apply a design to any article in any class in which the design is registered :

(5) “ design ” means any design applicable to any article, whether the design is applicable for the pattern, or for the shape or configuration, or for the ornament thereof, or for any two or more of such purposes, and by whatever means it is applicable, whether by printing, painting, embroidering, weaving, sewing, modelling, casting, embossing, engraving, staining, or any other means whatever, manual, mechanical or chemical, separate or combined, but does not include any trade or property mark as defined in sections 478 and 479 of the <sup>2</sup>Indian Penal Code :

XLV of 1860.

(6) “ District Court ” has the meaning assigned to that expression by the

of 1908. <sup>3</sup> Code of Civil Procedure, 1908 :

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<sup>1</sup> For Statement of Objects and Reasons, *see* Gazette of India, 1910, Pt. V, p. 92 ; for Report of Select Committee, *see* *ibid*, 1911, Pt. V, p. 1 ; and for Proceedings in Council, *see* *ibid*, 1910, Pt. VI, p. 337, dated 9th April 1910, and *ibid*, 1911, Pt. VI, pp. 31, 45 and 179.

<sup>2</sup> Genl. Acts, Vol. I.

<sup>3</sup> Genl. Acts, Vol. VI.



(7) " High Court " has the meaning assigned to that expression by the <sup>1</sup>Code of Criminal Procedure, 1898, in reference to proceedings against V of 1898. European British subjects :

(8) " invention " means any manner of new manufacture, and includes an improvement and an alleged invention :

(9) " legal representative " means a person who in law represents the estate of a deceased person :

(10) " manufacture " includes any art, process or manner of producing, preparing or making an article, and also any article prepared or produced by manufacture :

(11) " patent " means a patent granted under the provisions of this Act :

(12) " patentee " means the person for the time being entitled to the benefit of a patent :

(13) " prescribed " includes prescribed by rules under this Act : and

(14) " proprietor of a new and original design,"—

(a) where the author of the design, for good consideration, executes the work for some other person, means the person for whom the design is so executed ; and

(b) where any person acquires the design or the right to apply the design to any article, either exclusively of any other person or otherwise means, in the respect and to the extent in and to which the design or right has been so acquired, the person by whom the design or right is so acquired ; and

(c) in any other case, means the author of the design ;  
and where the property in, or the right to apply, the design has devolved from the original proprietor upon any other person, includes that other person.

## PART I.

### PATENTS.

#### *Application for and Grant of Patent.*

Application.

3. (1) An application for a patent may be made by any person whether he is a British subject or not, and whether alone or jointly with any other person.

(2) The application must be made in the prescribed form, and must be left at the Patent Office in the prescribed manner.

(3) The application must contain a declaration to the effect that the applicant is in possession of an invention, whereof he, or in the case of a joint application one at least of the applicants, claims to be the true and first inventor

<sup>1</sup> Genl. Acts, Vol. V.

or the legal representative or assign of such inventor and for which he desires to obtain a patent, and must be accompanied by a specification and by the prescribed fee.

(4) Where the true and first inventor is not a party to the application, the application must contain a statement of his name, and such particulars for his identification as may be prescribed, and the applicant must show that he is the legal representative or assign of such inventor.

4. (1) The specification must particularly describe and ascertain Specification.  
the nature of the invention and the manner in which the same is to be performed.

(2) Where the Controller deems it desirable, he may require that suitable drawings shall be supplied with the specification, or at any time before the acceptance of the application, and such drawings shall be deemed to form part of the specification.

(3) The specification must commence with the title, and must end with a distinct statement of the invention claimed.

(4) If in any particular case the Controller considers that an application should be further supplemented by a model or sample of anything illustrating the invention or alleged to constitute an invention, such model or sample as he may require shall be furnished before the acceptance of the application, but such model or sample shall not be deemed to form part of the specification.

5. (1) The Controller shall examine every application, and if he con- Proceedings  
upon appli-  
cation.  
siders that—

- (a) the nature of the invention is not fairly described, or
- (b) the application, specification and drawings have not been prepared in the prescribed manner or relate to more than one invention, or
- (c) the title does not sufficiently indicate the subject-matter of the invention, or
- (d) the statement of claim does not sufficiently define the invention, or
- (e) the invention as described and claimed is *prima facie* not a new manufacture or improvement,

he may refuse to accept the application or require that the application, specification or drawings be amended before he proceeds with the application; and in the latter case the application shall, if the Controller so directs, bear date as from the time when the requirement is complied with.

(2) Where the Controller refuses to accept an application or requires an amendment, the applicant may appeal from his decision to the Governor General in Council.

(3) The investigations required by this section shall not be held in any way to guarantee the validity of any patent, and no liability shall be incurred by the Governor General in Council or any Officer by reason of, or in connection with, any such investigation, or any proceeding consequent thereon.

(4) Unless an application is accepted within twelve months from the date of the application, the application shall (except where an appeal has been lodged) become void :

Provided that where an application is made for an extension of time for the acceptance of an application, the Controller shall, on payment of the prescribed fee, grant an extension of time to the extent applied for but not exceeding three months.

Advertisement  
on acceptance  
of applica-  
tion.

6. On the acceptance of an application the Controller shall give notice thereof to the applicant and shall advertise the acceptance ; and the application and specification, with the drawings (if any), shall be open to public inspection.

Use of  
invention on  
acceptance of  
application.

7. Where an application for a patent in respect of an invention has been accepted, any use or publication of the invention during the period between the date of application and the date of sealing such patent shall not prejudice the patent to be granted for the invention :

Provided that an applicant shall not be entitled to institute any proceedings for infringement unless and until a patent for the invention has been granted to him.

Inquiry  
before sealing  
patent.

8. After acceptance of an application and before sealing a patent, the Controller shall, if he thinks it advisable or is directed by the Governor General in Council so to do, refer the specification for inquiry and report to any person whom he thinks fit.

Opposition  
to grant of  
patent.

9. (1) Any person may, on payment of the prescribed fee, at any time within three months from the date of the advertisement of the acceptance of an application, give notice at the Patent Office of opposition to the grant of the patent on any of the following grounds, namely :—

- (a) that the applicant obtained the invention from him, or from a person of whom he is the legal representative or assign ; or
- (b) that the invention has been claimed in any specification filed in British India which is or will be of prior date to the patent, the grant of which is opposed ; or
- (c) that the nature of the invention or the manner in which it is to be performed is not sufficiently or fairly described and ascertained in the specification ; or
- (d) that the invention has been publicly used in any part of British India ; or has been made publicly known in any part of British India ;

but on no other ground.

(2) Where such notice is given, the Controller shall give notice of the opposition to the applicant, and shall, on the expiration of those three months, after hearing the applicant and the opponent, if desirous of being heard, decide on the case.

(3) The decision of the Controller shall be subject to appeal to the Governor General in Council.

10. (1) If there is no opposition, or, in case of opposition, if the determination is in favour of the grant of a patent, a patent shall, on payment of the prescribed fee, be granted, subject to such conditions (if any) as the Governor General in Council thinks expedient, to the applicant, or in the case of a joint application to the applicants jointly, and the Controller shall cause the patent to be sealed with the seal of the Patent Office. Grant and sealing of patent.

(2) A patent shall be sealed as soon as may be, and not after the expiration of eighteen months from the date of application :

Provided that,—

- (a) where the Controller has allowed an extension of the time within which an application may be accepted, a further extension of four months after the said eighteen months shall be allowed for the sealing of the patent ;
- (b) where the sealing is delayed by an appeal to the Governor General in Council, or by a reference under section 8, or by opposition to the grant of the patent, the patent may be sealed at such time as the Controller may direct ;
- (c) where the patent is granted to the legal representative of an applicant who has died before the expiration of the time which would otherwise be allowed for sealing the patent, the patent may be sealed at any time within twelve months after the date of his death ;
- (d) where in consequence of the neglect or failure of the applicant to pay any fee a patent cannot be sealed within the period allowed by this section, that period may, on payment of the prescribed fee and on compliance with the prescribed conditions, be extended to such an extent as may be prescribed.

11. Except as otherwise expressly provided by this Act, a patent shall be dated and sealed as of the date of the application : Date of patent.

Provided that no proceedings shall be taken in respect of an infringement committed before the publication of the specification.

12. (1) A patent sealed with the seal of the Patent Office shall, subject to the other provisions of this Act, confer on the patentee the exclusive privilege of making, selling and using the invention throughout British India and of authorizing others so to do. Effect, extent and form of patent.

(2) Every patent may be in the prescribed form and shall be granted for one invention only, but the specification may contain more than one claim ; and it shall not be competent for any person in a suit or other proceeding to take any objection to a patent on the ground that it has been granted for more than one invention.

13. (1) A patent granted to the true and first inventor or his legal representative or assign shall not be invalidated by an application in fraud of him, or by protection obtained thereon or by any use or publication of the invention subsequent to that fraudulent application during the period of protection. Fraudulent applications for patents.

(2) Where a patent has been revoked on the ground of fraud or of any other ground, the Controller may, on the application of the true inventor or his legal representative or assign made in accordance with the provisions of this Act, grant to him a patent in lieu of and bearing the same date as the patent so revoked for any invention comprised in the revoked patent to which he was entitled :

Provided that no suit shall be brought for any infringement of the patent so granted committed before the actual date when such patent was granted.

*Term of patent.*

Term of  
patent.

**14.** (1) The term limited in every patent for the duration thereof shall, save as otherwise expressly provided by this Act, be fourteen years from its date.

(2) A patent shall, notwithstanding anything therein or in this Act, cease if the patentee fails to pay the prescribed fees within the prescribed times :

Provided that the Controller, upon the application of the patentee, shall, on receipt of such additional fee as may be prescribed, enlarge the time to such an extent as may be applied for but not exceeding three months.

(3) If any proceeding is taken in respect of an infringement of the patent committed after a failure to pay any fee within the prescribed time, and before any enlargement thereof, the Court before which the proceeding is taken may, if it thinks fit, refuse to award any damages in respect of such infringement.

Extension of  
term of  
patent.

**15.** (1) A patentee may, after advertising in the prescribed manner his intention to do so, present a petition to the Governor General in Council praying that his patent may be extended for a further term ; but such petition must be left at the Patent Office at least six months before the time limited for the expiration of the patent and must be accompanied by the prescribed fee.

(2) Any person may give notice to the Controller of objection to the extension.

(3) Where a petition is presented under sub-section (1), the Governor General in Council may, as he thinks fit, dispose of the petition himself or refer it to a High Court for decision.

(4) If the petition be referred to a High Court, then on the hearing of such petition under this section, the patentee, and any person who has given notice under sub-section (2) of objection, shall be made parties to the proceeding, and the Controller shall be entitled to appear and be heard.

(5) The Court to which the petition is referred shall, in considering its decision, have regard to the nature and merits of the invention in relation to the public, to the profits made by the patentee as such, and to all the circumstances of the case.

(6) If it appears to the Governor General in Council, or to the High Court when the petition has been referred to it, that the patentee has been inadequately remunerated by his patent, the Governor General in Council or the

High Court, as the case may be, may by order extend the term of the patent for a further term not exceeding seven, or, in exceptional cases, fourteen years, or may order the grant of a new patent for such term as may be specified in the order and subject to the payment of such fees as may be prescribed and containing any restriction, conditions and provisions which the Governor General in Council or the High Court, as the case may be, may think fit :

Provided that any patent so extended or granted shall, notwithstanding anything therein, or in this Act, cease if the inventor fails to pay before the expiration of each year the prescribed fee.

16. (1) Where any patent has ceased owing to the failure of the patentee to pay any prescribed fee within the prescribed time, the patentee may apply to the Controller in the prescribed manner for an order for the restoration of the patent. Restorations of lapsed patent.

(2) Every such application shall contain a statement of the circumstances which have led to the omission of the payment of the prescribed fee.

(3) If it appears from such statement that the omission was unintentional or unavoidable and that no undue delay has occurred in the making of the application, the Controller shall advertise the application in the prescribed manner, and within such time as may be prescribed any person may give notice of opposition at the Patent Office.

(4) Where such notice is given the Controller shall notify the applicant thereof.

(5) After the expiration of the prescribed period, the Controller shall hear the case and, subject to an appeal to the Governor General in Council, issue an order either restoring the patent subject to any conditions deemed to be advisable or dismissing the application :

Provided that in every order under this section restoring a patent such provisions as may be prescribed shall be inserted for the protection of persons who may have availed themselves of the subject-matter of the patent after the patent had ceased.

#### *Amendment of Application or Specification.*

17. (1) An applicant or a patentee may at any time, by request in writing left at the Patent Office and accompanied by the prescribed fee, seek leave to amend his application or specification, including drawings forming part thereof by way of disclaimer, correction or explanation, stating the nature of, and the reasons for, the proposed amendment. Amendment of application or specification by Controller.

(2) If the application for a patent has not been accepted, the Controller shall determine whether and subject to what conditions (if any) the amendment shall be allowed.

(3) In any other case the request and the nature of the proposed amendment shall be advertised in the prescribed manner, and at any time within

three months from its first advertisement any person may give notice at the Patent Office of opposition to the amendment.

(4) Where such a notice is given, the Controller shall give notice of the opposition to the person making the request and shall hear and decide the case.

(5) Where no notice of opposition is given, or the person so giving notice of opposition does not appear, the Controller shall determine whether and subject to what conditions, if any, the amendment ought to be allowed.

(6) The decision of the Controller in either case shall be subject to an appeal to the Governor General in Council.

(7) No amendment shall be allowed that would make the application or specification, as amended, claim an invention substantially larger than, or substantially different from, the invention claimed by the application or specification as it stood before amendment.

(8) Leave to amend shall be conclusive as to the right of the party to make the amendment allowed, except in case of fraud; and the amendment shall be advertised in the prescribed manner, and shall in all Courts and for all purposes be deemed to form part of the application or specification.

(9) This section shall not apply when and so long as any suit for infringement or proceeding before a Court for the revocation of the patent is pending.

Amendment  
of specifica-  
Court.

**18.** In any suit for infringement of a patent or proceeding before a Court for the revocation of a patent, the Court may by order allow the patentee to amend his specification by way of disclaimer in such manner, and subject to such terms as to costs, advertisement or otherwise, as the Court may think fit :

Provided that no amendment shall be so allowed that would make the specification, as amended, claim an invention substantially larger than, or substantially different from, the invention claimed by the specification as it stood before the amendment, and where an application for such an order is made to the Court, notice of the application shall be given to the Controller, and the Controller shall have the right to appear and be heard.

Restriction  
on recovery  
of damages.

**19.** Where an amendment of a specification by way of disclaimer, correction or explanation has been allowed under this Act, no damages shall be given in any suit in respect of the use of the invention before the disclaimer, correction or explanation, unless the patentee establishes to the satisfaction of the Court that his original claim was framed in good faith and with reasonable skill and knowledge.

#### *Register of Patents.*

Register of  
Patents.

**20.** (1) There shall be kept at the Patent Office a book called the Register of Patents, wherein shall be entered the names and addresses of grantees of patents, notifications of assignments and of transmissions of patents, of licenses under patents, and of amendments, extensions, and revocations of patents, and such other matters affecting the validity or proprietorship of patents as may be prescribed.

(2) The register of inventions and address-book existing at the commencement of this Act shall be incorporated with, and form part of, the register of patents under this Act.

(3) The register of patents shall be *prima facie* evidence of any matters by this Act directed or authorised to be inserted therein.

(4) Copies of deeds, licenses and any other documents affecting the proprietorship in any patent or in any license thereunder, must be supplied to the Controller in the prescribed manner for filing in the Patent Office, and, unless such copies have been so supplied, such deeds, licenses or other documents shall not be received as evidence of any transaction affecting a patent.

*Crown.*

21. Subject to any conditions which the Governor General in Council may have imposed, a patent shall have to all intents the like effect as against His Majesty as it has against a subject: Patent to bind Crown.

Provided that the officers or authorities administering any department of the service of His Majesty may, by themselves, their agents, contractors or others, at any time after the application, use the invention for the services of the Crown on such terms as may, either before or after the use thereof, be agreed on, with the approval of the Governor General in Council, between those officers or authorities and the patentee, or, in default of agreement, as may be settled by the Governor General in Council after hearing all parties interested.

*Compulsory Licenses and Revocation.*

22. (1) Any person interested may present a petition to the Governor General in Council, which shall be left at the Patent Office, together with the prescribed fee, alleging that the reasonable requirements of the public with respect to a patented invention have not been satisfied, and praying for the grant of a compulsory license, or, in the alternative, for the revocation of the patent. Compulsory licenses and revocation.

(2) The Governor General in Council shall consider the petition, and if the parties do not come to an arrangement between themselves, the Governor General in Council may, as he thinks fit, either dispose of the petition himself or refer it to a High Court for decision.

(3) The provisions of sub-section (4) of section 15, prescribing the procedure to be followed in the case of references to the Court under that section, shall apply in the case of references made to the Court under this section.

(4) If the Governor General in Council is of opinion, or where a reference has been made under sub-section (2) to a High Court, that Court finds, that the reasonable requirements of the public with reference to the patented invention have not been satisfied, the patentee may be ordered to grant licenses on such terms as the Governor General in Council or the High Court, as the case may be, may think just, or, if the Governor General in Council or the High Court is of opinion that the reasonable requirements of the public will not be



satisfied by the grant of licenses, the patent may be revoked by order of the Governor General in Council or the High Court :

Provided that an order of revocation shall not be made before the expiration of four years from the date of the patent, or if the patentee gives satisfactory reasons for his default.

(5) For the purposes of this section the reasonable requirements of the public shall not be deemed to have been satisfied—

- (a) if by reason of the default of the patentee to manufacture to an adequate extent and supply on reasonable terms the patented article or any parts thereof which are necessary for its efficient working, or to carry on the patented process to an adequate extent or to grant licenses on reasonable terms, any existing trade or industry or the establishment of any new trade or industry in British India is unfairly prejudiced, or the demand for the patented article or the article produced by the patented process is not reasonably met ; or
- (b) if any trade or industry in British India is unfairly prejudiced by the conditions attached by the patentee before or after the commencement of this Act to the purchase, hire or use of the patented article or to the using or working of the patented process.

(6) An order of the Governor General in Council or of the High Court directing the grant of any license under this section shall, without prejudice to any other method of enforcement operate as if it were embodied in a deed granting a license and made between the parties to the proceeding.

Revocation  
of patents  
worked  
outside  
British India.

**23.** (1) At any time not less than four years after the date of a patent granted under this Act, any person may apply to the Governor General in Council for the revocation of the patent on the ground that the patented article or process is manufactured or carried on exclusively or mainly outside British India.

(2) The Governor General in Council shall consider the application, and, if after inquiry, he is satisfied—

- (a) that the allegations contained therein are correct ; and
- (b) that the applicant is prepared, and is in a position, to manufacture or carry on the patented article or process in British India ; and
- (c) that the patentee refuses to grant a license on reasonable terms,

then, subject to the provisions of this section, and unless the patentee proves that the patented article or process is manufactured or carried on to an adequate extent in British India, or gives satisfactory reasons why the article or process is not so manufactured or carried on, the Governor General in Council may make an order revoking the patent either—

- (i) forthwith ; or
- (ii) after such reasonable interval as may be specified in the order, unless in the meantime it is shown to his satisfaction that the patented article or process is manufactured or carried on within British India to an adequate extent.

(3) No order revoking a patent shall be made under the last sub-section which is at variance with any treaty, convention, arrangement or engagement with any foreign country or British possession.

(4) The Governor General in Council may, on the application of the patentee, extend the time limited in any order made under sub-section (2), clause (ii), for such period not exceeding two years as he may specify in a subsequent order, or revoke any order made under sub-section (2), clause (ii), or any subsequent order if sufficient cause is in his opinion shown by the patentee.

24. A patentee may at any time, by giving notice in the prescribed manner to the Controller, offer to surrender his patent, and the Controller may, if after giving notice of the offer and hearing all parties who desire to be heard he thinks fit, accept the offer, and thereupon make an order for the revocation of the patent.

25. A patent shall be deemed to be revoked if the Governor General in Council declares, by notification in the Gazette of India, the patent or the mode in which it is exercised to be mischievous to the State or generally prejudicial to the public.

#### *Legal Proceedings.*

26. (1) Revocation of a patent in whole or in part may be obtained on petition to a High Court on all or any of the following grounds, namely:—

- (a) that any invention included in the statement of claim is of no utility;
- (b) that any invention included in the statement of claim was not, at the date of the application for a patent, a new invention within the meaning of this Act;
- (c) that the applicant was not the true and first inventor thereof or the assign or legal representative of such inventor thereof;
- (d) that the original or any amended application or specification does not fulfil the requirements of this Act;
- (e) that the applicant has knowingly or fraudulently included in the application for a patent or in the original or any amended specification, as his invention, something which was not new or whereof he was neither the inventor nor the assign nor the legal representative of such inventor;
- (f) that the original or any subsequent application relating to the invention, or the original or any amended specification, contains a wilful or fraudulent mis-statement;
- (g) that a part of the invention or the manner in which a part is to be made and used as described in the original or any amended specification, is not thereby sufficiently described, and that this insufficiency was fraudulent or is injurious to the public.

(2) A petition for revocation of a patent may be presented—

- (a) by the Advocate General or any person authorized by him; or

(b) by any person alleging—

- (i) that the patent was obtained in fraud of his rights or of the rights of any person under or through whom he claims; or
- (ii) that he, or any person under or through whom he claims, was the true and first inventor of any invention included in the claim of the patentee; or
- (iii) that he, or any person under or through whom he claims an interest in any trade business or manufacture, had publicly manufactured, used or sold, within British India, before the date of the patent, anything claimed by the patentee as his invention

(3) The High Court may, irrespective of any provisions of the <sup>1</sup> Code of Civil Procedure, 1908, in this behalf, require any person, other than the Advocate General or any person authorized by him, applying for the revocation of a patent to give security for the payment of all costs incurred or likely to be incurred by any person appearing to oppose the petition. V of 1908.

Notice of proceedings to persons interested.

**27.** (1) Notice of any petition for revocation of a patent under section 26 shall be served on all persons appearing from the register to be proprietors of that patent or to have shares or interests therein, and it shall not be necessary to serve the notice on any other person.

(2) The notice shall be deemed to be sufficiently served if a copy thereof is sent by post in a registered letter directed to the person and place for the time being stated in the register.

Framing issue for trial before other Courts.

**28.** (1) A High Court may, if it thinks fit, direct an issue for the trial, before itself or any other High Court, or any District Court, of any question arising upon a petition to itself under section 26, and the issue shall be tried accordingly.

(2) If the issue is directed to another High Court, the finding shall be certified by that Court to the High Court directing the issue.

(3) If the issue is directed to a District Court, the finding of that Court shall not be subject to appeal, but the evidence taken upon the trial shall be recorded and a copy thereof, certified by the Judge of the Court, shall be transmitted, together with any remarks which he may think fit to make thereon, to the High Court directing the issue, and the High Court may thereupon act upon the finding of the District Court, or dispose of the petition upon the evidence recorded, or direct a new trial, as the justice of the case may require.

Suits for infringement of patents.

**29.** (1) A patentee may institute a suit in a District Court having jurisdiction to try the suit against any person who, during the continuance of a patent acquired by him under this Act in respect of an invention, makes, sells or uses the invention without his license, or counterfeits it, or imitates it.

(2) Every ground on which a patent may be revoked under this Act shall be available by way of defence to a suit for infringement.

<sup>1</sup> Genl. Acts, Vol. VI.

**30.** A patentee shall not be entitled to recover any damages in respect of any infringement of a patent granted after the commencement of this Act from any defendant who proves that at the date of the infringement he was not aware, nor had reasonable means of making himself aware, of the existence of the patent, and the marking of an article with the word "patent," "patented," or any word or words expressing or implying that a patent has been obtained for the article, stamped, engraved, impressed on, or otherwise applied to the article, shall not be deemed to constitute notice of the existence of the patent unless the word or words are accompanied by the year and number of the patent :

*Exemption of innocent infringer from liability for damages*

Provided that nothing in this section shall affect any proceedings for an injunction.

**31.** In a suit for infringement of a patent, the Court may, on the application of either party, make such order for an injunction, inspection or account, and impose such terms and give such directions respecting the same and the proceedings thereon, as the Court may see fit.

*Order for inspection, etc., in suit.*

**32.** In a suit for infringement of a patent the Court may certify that the validity of the patent came in question, and if the Court so certifies, then in any subsequent suit in that Court for infringement of the same patent the plaintiff, on obtaining a final order or judgment in his favour, shall, unless the Court trying the suit otherwise directs, have his full costs, charges and expenses of and incidental to the said suit properly incurred.

*Certificate of validity questioned and costs thereon.*

**33.** A Court making a decree in a suit under section 29 or an order on a petition under section 26 shall send a copy of the decree or order, as the case may be, to the Controller, who shall cause an entry thereof and reference thereto to be made in the register of patents.

*Transmission of decrees and orders to the Controller.*

**34.** A High Court to which a petition has been presented under section 26 may stay proceedings on or dismiss the petition if in its opinion the petition would be disposed of more justly or conveniently by another High Court.

*Power of High Court to stay proceedings, etc.*

**35.** (1) In a suit or proceeding for infringement or revocation of a patent, the Court may, if it thinks fit, and shall on the request of either of the parties to the proceedings, call in the aid of an assessor specially qualified, and try the case wholly or partially with his assistance.

*Hearing with assessor.*

(2) A Court exercising appellate jurisdiction in respect of such suit or proceeding may, if it thinks fit, call in the aid of an assessor as aforesaid.

(3) The remuneration, if any, to be paid to an assessor under this section shall in every case be determined by the Court and be paid by it as part of the expenses of the execution of this Act.

**36.** Where any person claiming to be the patentee of an invention, by circulars, advertisements or otherwise, threatens any other person with any legal proceedings or liability in respect of any alleged infringement of the patent, any person aggrieved thereby may bring a suit against him in a District Court having jurisdiction to try the suit, and may obtain an injunction against the continuance of such threats, and may recover such damage

*Remedy in case of groundless threats of legal proceedings.*

(if any) as he has sustained thereby, if the alleged infringement to which the threats related was not in fact an infringement of any legal rights of the person making such threats :

Provided that this section shall not apply if the person making such threats with due diligence commences and prosecutes a suit for infringement of his patent.

*Miscellaneous.*

Grant of  
patents to  
two or more  
persons.

**37.** Where, after the commencement of this Act, a patent is granted to two or more persons jointly, they shall, unless otherwise specified in the patent, be treated for the purpose of the devolution of the legal interest therein as joint tenants, but, subject to any contract to the contrary, each of such persons shall be entitled to use the invention for his own profit without accounting to the others, but shall not be entitled to grant a license without their consent, and, if any such person dies, his beneficial interest in the patent shall devolve on his legal representatives.

Novelty  
of invention.

**38.** (1) An invention shall be deemed a new invention within the meaning of this Act—

- (a) if it has not, before the date of the application for a patent thereon, been publicly used in any part of British India, or been made publicly known in any part of British India, and
- (b) if the inventor has not by secret or experimental user made direct or indirect profits from his invention in excess of such an amount as the Court or the Governor General in Council, as the case may be, may, in consideration of all the circumstances of the case, deem reasonable.

(2) The public use or knowledge of an invention before the date of the application for a patent thereon shall not be deemed a public use or knowledge within the meaning of this Act if the knowledge has been obtained surreptitiously or in fraud of the true and first inventor or has been communicated to the public in fraud of such inventor or in breach of confidence :

Provided that such inventor has not acquiesced in the public use of his invention, and that, within six months after the commencement of that use, he applies for a patent.

Loss or de-  
struction of  
patent.

**39.** If a patent is lost or destroyed, or its non-production is accounted for to the satisfaction of the Controller, the Controller may at any time, on payment of the prescribed fee, seal a duplicate thereof.

Provisions as  
to exhibi-  
tions.

**40.** (1) The exhibition of an invention at an industrial or international exhibition, certified as such by the Governor General in Council, or the publication of any description of the invention during the period of the holding of the exhibition, or the use of the invention for the purpose of the exhibition in the place where the exhibition is held, or the use of the invention during the period of the holding of the exhibition by any person elsewhere, without the privity or consent of the inventor, shall not prejudice the right of the

inventor to apply for and obtain a patent in respect of the invention or the validity of any patent granted on the application :

Provided that—

- (a) the exhibitor, before exhibiting the invention, gives the Controller the prescribed notice of his intention to do so ; and
- (b) the application for a patent is made before or within six months from the date of the opening of the exhibition.

(2) The Governor General in Council may, by notification in the Gazette of India, apply this section to any exhibition mentioned in the notification in like manner as if it were an industrial or international exhibition certified as such by the Governor General in Council, and any such notification may provide that the exhibitor shall be relieved from the condition of giving notice to the Controller of his intention to exhibit, and shall be so relieved either absolutely or upon such terms and conditions as may be stated in the notification.

41. The trustees of the Indian Museum may at any time require a patentee to furnish them with a model or sample of his invention on payment to the patentee of the cost of the manufacture of the model or sample, the amount to be settled, in case of dispute, by the Governor General in Council.

42. (1) A patent shall not prevent the use of an invention for the purposes of the navigation of a foreign vessel within the jurisdiction of any Court in British India, or the use of an invention in a foreign vessel within that jurisdiction, provided it is not used therein for or in connection with the manufacture or preparation of anything intended to be sold in or exported from British India.

(2) This section shall not extend to vessels of any foreign State of which the laws do not confer corresponding rights with respect to the use of inventions in British vessels while in the ports of that State, or in the waters within the jurisdiction of its Courts.

## PART II.

### DESIGNS.

#### *Registration of Designs.*

43. (1) The Controller may, on the application of any person claiming to be the proprietor of any new or original design not previously published in British India, register the design under this Part.

Application for registration of designs.

(2) The application must be made in the prescribed form, and must be left at the Patent Office in the prescribed manner and must be accompanied by the prescribed fee.

(3) The same design may be registered in more than one class, and, in case of doubt as to the class in which a design ought to be registered, the Controller may decide the question.

(4) The Controller may, if he thinks fit, refuse to register any design presented to him for registration; but any person aggrieved by any such refusal may appeal to the Governor General in Council.

(5) An application which, owing to any default or neglect on the part of the applicant, has not been completed so as to enable registration to be effected within the prescribed time shall be deemed to be abandoned.

(6) A design when registered shall be registered as of the date of the application for registration.

Registration  
of designs in  
new classes.

**44.** Where a design has been registered in one or more classes of goods, the application of the proprietor of the design to register it in some one or more other classes shall not be refused, nor shall the registration thereof be invalidated—

(a) on the ground of the design not being a new and original design, by reason only that it was so previously registered; or

(b) on the ground of the design having been previously published in British India, by reason only that it has been applied to goods of any class in which it was so previously registered.

Certificate of  
registration.

**45.** (1) The Controller shall grant a certificate of registration to the proprietor of the design when registered.

(2) The Controller may, in case of loss of the original certificate, or in any other case in which he deems it expedient, furnish one or more copies of the certificate.

Register of  
Designs.

**46.** (1) There shall be kept at the Patent Office a book called the Register of Designs, wherein shall be entered the names and addresses of proprietors of registered designs, notifications of assignments and of transmissions of registered designs, and such other matters as may be prescribed.

(2) The register of designs existing at the commencement of this Act shall be incorporated with, and form part of the register of, designs under this Act.

(3) The register of designs shall be *prima facie* evidence of any matters by this Act directed or authorised to be entered therein.

#### *Copyright in Registered Designs.*

Copyright on  
registration.

**47.** (1) When a design is registered, the registered proprietor of the design shall, subject to the provisions of this Act, have copyright in the design during five years from the date of registration.

(2) If within the prescribed time before the expiration of the said five years application for the extension of the period of copyright is made to the Controller in the prescribed manner, the Controller shall, on payment of the prescribed fee, extend the period of copyright for a second period of five years from the expiration of the original period of five years.

(3) If within the prescribed time before the expiration of such second period of five years application for the extension of the period of copyright is made to the Controller in the prescribed manner, the Controller may, subject to any rules under this Act, on payment of the prescribed fee, extend the period of copyright for a third period of five years from the expiration of the second period of five years.

**48.** (1) Before delivery on sale of any articles to which a registered design has been applied, the proprietor shall—

Requirements before delivery on sale.

- (a) (if exact representations or specimens were not furnished on the application for registration), furnish to the Controller the prescribed number of exact representations or specimens of the design; and, if he fails to do so, the Controller may erase his name from the register, and thereupon the copyright in the design shall cease; and
- (b) cause each such article to be marked with the prescribed mark, or with the prescribed words or figures, denoting that the design is registered; and, if he fails to do so, the proprietor shall not be entitled to recover any penalty or damages in respect of any infringement of his copyright in the design unless he shows that he took all proper steps to ensure the marking of the article, or unless he shows that the infringement took place after the person guilty thereof knew or had received notice of the existence of the copyright in the design.

(2) Where a representation is made to the Governor General in Council by or on behalf of any trade or industry that in the interests of the trade or industry it is expedient to dispense with or modify as regards any class or description of articles any of the requirements of this section as to marking, the Governor General in Council may, if he thinks fit, by rule under this Act, dispense with or modify such requirements as regards any such class or description of articles to such extent and subject to such conditions as he thinks fit.

**49.** The disclosure of a design by the proprietor to any other person, in such circumstances as would make it contrary to good faith for that other person to use or publish the design, and the disclosure of a design in breach of good faith by any person other than the proprietor of the design, and the acceptance of a first and confidential order for goods bearing a new or original textile design intended for registration, shall not be deemed to be a publication of the design sufficient to invalidate the copyright thereof if registration thereof is obtained subsequently to the disclosure or acceptance.

Effect of disclosure on copyright.

**50.** (1) During the existence of copyright in a design, or such shorter period not being less than two years from the registration of the design as may be prescribed, the design shall not be open to inspection except by the proprietor or a person authorised in writing by him, or a person authorized by the Controller or by the Court, and furnishing such information as may

Inspection of registered designs.



enable the Controller to identify the design, and shall not be open to the inspection of any person except in the presence of the Controller, or of an officer acting under him, and on payment of the prescribed fee; and the person making the inspection shall not be entitled to take any copy of the design, or of any part thereof:

Provided that, where registration of a design is refused on the ground of identity with a design already registered, the applicant for registration shall be entitled to inspect the design so registered.

(2) After the expiration of the copyright in a design, or such shorter period as aforesaid, the design shall be open to inspection, and copies thereof may be taken by any person on payment of the prescribed fee.

(3) Different periods may be prescribed under this section for different classes of goods.

Information  
as to exis-  
tence of  
copyright.

**51.** On the request of any person furnishing such information as may enable the Controller to identify the design, and on payment of the prescribed fee, the Controller shall inform such person whether the registration still exists in respect of the design, and, if so, in respect of what classes of goods, and shall state the date of registration, and the name and address of the registered proprietor.

#### *Industrial and International Exhibitions.*

Provisions  
as to exhibi-  
tions.

**52.** (1) The exhibition at an industrial or international exhibition certified as such by the Governor General in Council, or the exhibition elsewhere during the period of the holding of the exhibition, without the privity or consent of the proprietor, of a design, or of any article to which a design is applied, or the publication, during the holding of any such exhibition, of a description of a design, shall not prevent the design from being registered, or invalidate the registration thereof:

Provided that—

- (a) the exhibitor, before exhibiting the design or article, or publishing a description of the design, gives the Controller the prescribed notice of his intention to do so; and
- (b) the application for registration is made before or within six months from the date of the opening of the exhibition.

(2) The Governor General in Council may, by notification in the Gazette of India, apply this section to any exhibition mentioned in the notification in like manner as if it were an industrial or international exhibition certified as such by the Governor General in Council, and any such notification may provide that the exhibitor shall be relieved from the condition of giving notice to the Controller of his intention to exhibit, and shall be so relieved either absolutely or upon such terms and conditions as may be stated in the notification.

*Legal Proceedings.*

**53.** (1) During the existence of copyright in any design it shall not be lawful for any person—

Piracy of registered design.

- (a) for the purpose of sale to apply or cause to be applied to any article in any class of goods in which the design is registered the design or any fraudulent or obvious imitation thereof, except with the license or written consent of the registered proprietor, or to do anything with a view to enable the design to be so applied ; or,
- (b) knowing that the design or any fraudulent or obvious imitation thereof has been applied to any article without the consent of the registered proprietor, to publish or expose or cause to be published or exposed for sale that article.

(2) If any person acts in contravention of this section, he shall be liable for every contravention—

- (a) to pay to the registered proprietor of the design a sum not exceeding five hundred rupees recoverable as a contract debt, or
- (b) if the proprietor elects to bring a suit for the recovery of damages for any such contravention, and for an injunction against the repetition thereof, to pay such damages as may be awarded and to be restrained by injunction accordingly :

Provided that the total sum recoverable in respect of any one design under clause (a) shall not exceed one thousand rupees.

(3) When the Court makes a decree in a suit under sub-section (2), it shall send a copy of the decree to the Controller, who shall cause an entry thereof to be made in the register of designs.

**54.** The provisions of this Act with regard to certificates of the validity of a patent, and to the remedy in case of groundless threats of legal proceedings by a patentee shall apply in the case of registered designs in like manner as they apply in the case of patents, with the substitution of references to the copyright in a design for references to a patent, and of references to the proprietor of a design for references to the patentee, and of references to the design for references to the invention.

Application of certain provisions of the Act as to patents to designs.

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### PART III.

#### GENERAL.

##### *Patent Office and Proceedings thereat.*

**55.** (1) The Governor General in Council may provide, for the purposes of this Act, an office which shall be called, and is in this Act referred to as, the Patent Office.

(2) The Patent Office shall be under the immediate control of the Controller of Patents and Designs, who shall act under the superintendence and direction of the Governor General in Council.

(3) There shall be a seal for the Patent Office.

(4) Any act or thing directed to be done by or to the Controller may be done by or to any officer authorised by the Governor General in Council.

Officers and clerks.

**56.** The Governor General in Council may appoint the Controller, and so many officers and clerks, with such designations and duties, as he thinks fit.

#### *Fees.*

Fees.

**57.** (1) There shall be paid in respect of the grant of patents and the registration of designs, and applications therefor, and in respect of other matters with relation to the patents and designs under this Act, such fees as may be prescribed by the Governor General in Council, so however that the fees prescribed in respect of the instruments and matters mentioned in the schedule shall not exceed those there specified.

(2) A proceeding in respect of which a fee is payable under this Act or the rules made thereunder shall be of no effect unless the fee has been paid.

#### *Provisions as to Registers and other Documents in the Patent Office.*

Notice of trust not to be entered in registers.

**58.** There shall not be entered in any register kept under this Act, or be receivable by the Controller, any notice of any trust, expressed, implied or constructive.

Inspection of, and extracts from, registers.

**59.** Every register kept under this Act shall at all convenient times be open to the inspection of the public, subject to the provisions of this Act; and certified copies, sealed with the seal of the Patent Office, of any entry in any such register shall be given to any person requiring the same on payment of the prescribed fee.

Privilege of reports of Controller. Prohibition of publication of specification, drawings, etc. where application abandoned, etc.

**60.** Reports of or to the Controller made under this Act shall not in any case be published or be open to public inspection.

**61.** (1) Where an application for a patent has been abandoned or become void, the specifications and drawings (if any), accompanying or left in connection with such application, shall not, save as otherwise expressly provided by this Act, at any time be open to public inspection or be published by the Controller.

(2) Where an application for a design has been abandoned or refused, the application and any drawings, photographs, tracings, representations or specimens left in connection with the application shall not at any time be open to public inspection or be published by the Controller.

Power for Controller to correct clerical errors.

**62.** The Controller may, on request in writing accompanied by the prescribed fee,—

(a) correct any clerical error in or in connection with an application for a patent or in any patent or any specification;

<sup>1</sup> For fees prescribed see note to s. 77 *infra*.

- b) ~~cancel~~ the registration of a design either wholly or in respect of any particular goods in connection with which the design is registered ;
- (c) correct any clerical error in the representation of a design or in the name or address of the proprietor of any patent or design, or in any other matter which is entered upon the register of patents or the register of designs.

**63.** (1) Where a person claims to be entitled by assignment, transmission or other operation of law to a patent, or to the copyright in a registered design, the Controller shall, on request and on proof of the title to his satisfaction, register his interest in such patent or design. Entry of assignments and transmissions in registers.

(2) Where any person claims to be entitled as mortgagee, licensee or otherwise to any interest in a patent or registered design, the Controller shall, on request and on proof of title to his satisfaction, cause notice of the interest to be entered in the prescribed manner in the register of patents or designs, as the case may be.

(3) The person registered as the proprietor of a patent or design shall, subject to the provisions of this Act and to any rights appearing from the register to be vested in any other person, have power absolutely to assign, grant licenses as to, or otherwise deal with, the patent or design, and to give effectual receipts for any consideration for any such assignment, license or dealing :

Provided that any equities in respect of the patent or design may be enforced in like manner as in respect of any other moveable property.

**64.** (1) A High Court may, on the application in the prescribed manner of any person aggrieved by the non-insertion in or omission from the register of patents or designs of any entry, or by any entry made in either such register without sufficient cause, or by any entry wrongly remaining on either such register, or by an error or defect in any entry in either such register, make such order for making, expunging or varying such entry as it may think fit. Rectification of register by Court.

(2) The Court may in any proceeding under this section decide any question that it may be necessary or expedient to decide in connection with the rectification of a register.

(3) The prescribed notice of any application under this section shall be given to the Controller, who shall have the right to appear and be heard thereon.

(4) Any order of the Court rectifying a register shall direct that notice of the rectification be served on the Controller in the prescribed manner, who shall upon the receipt of such notice rectify the register accordingly.

(5) A High Court to which an application has been made under this section may stay proceedings on, or dismiss, the application if in its opinion the application would be disposed of more justly or conveniently by another High Court.

*Powers and Duties of Controller.*

Powers of  
Controller in  
proceedings  
under Act.

**65.** Subject to any rules in this behalf, the Controller in any proceedings before him under this Act shall have the powers of a Civil Court for the purpose of receiving evidence and administering oaths and enforcing the attendance of witnesses and compelling the production of documents and awarding costs.

Publication of  
patented  
inventions.

**66.** The Controller shall issue periodically a publication of patented inventions containing such information as the Governor General in Council may direct.

Exercise of  
discretionary  
power by  
Controller.

**67.** Where any discretionary power is by, or under, this Act given to the Controller, he shall not exercise that power adversely to the applicant for a patent, or for amendment of an application or of a specification, or for registration of a design, without (if so required within the prescribed time by the applicant) giving the applicant an opportunity of being heard.

Power of  
Controller to  
take direc-  
tions of Gov-  
ernor General  
in Council.

**68.** The Controller may, in any case of doubt or difficulty arising in the administration of any of the provisions of this Act, apply to the Governor General in Council for directions in the matter.

Refusal to  
grant patent,  
etc., in certain  
cases.

**69.** The Controller may refuse to grant a patent for an invention, or to register a design, of which the use would, in his opinion, be contrary to law or morality.

Appeals to  
the Governor  
General in  
Council.

**70.** (1) Where an appeal is declared by this Act to lie from the Controller to the Governor General in Council, the appeal shall be made within two months of the date of the order passed by the Controller, and shall be in writing, and accompanied by the prescribed fee.

(2) In calculating the said period of two months the time (if any) occupied in granting a copy of the order appealed against shall be excluded.

(3) The Governor General in Council may, if he thinks fit, obtain the assistance of an expert in deciding such appeals, and the decision of the Governor General in Council shall be final.

*Evidence, etc.*

Certificate of  
Controller  
to be  
evidence.

**71.** A certificate purporting to be under the hand of the Controller as to any entry, matter or thing which he is authorized by this Act, or any rules made thereunder, to make or do, shall be *prima facie* evidence of the entry having been made, and of the contents thereof, and of the matter or thing having been done or left undone.

Transmission  
of certified  
printed copies  
of specifica-  
tions, etc.

**72.** Copies of all specifications, drawings and amendments left at the Patent Office after the commencement of this Act, printed for and sealed with the seal of the Patent Office, shall be transmitted as soon as may be, after they have been accepted or allowed at the Patent Office, to the Governor

of Fort St. George in Council, the Governor of Bombay in Council, the Lieutenant-Governor of Burma, and to such other authorities as the Governor General in Council may appoint in this behalf, and shall be open to the inspection of any person at all reasonable times, at places to be appointed by those authorities.

**73.** Any application, notice or other document authorized or required to be left, made or given at the Patent Office or to the Controller, or to any other person under this Act, may be sent by post. Applications and notices by post.

**74.** (1) If any person is, by reason of infancy, lunacy or other disability, incapable of making any statement or doing anything required or permitted by or under this Act, the lawful guardian, committee or manager (if any) of the person subject to the disability, or, if there be none, any person appointed by any Court possessing jurisdiction in respect of his property, may make such statement, or a statement as nearly corresponding thereto as circumstances permit, and do such thing in the name and on behalf of the person subject to the disability. Declaration by infant, lunatic, etc.

(2) Any appointment may be made by the Court for the purposes of this section upon the petition of any person acting on behalf of the person, subject to the disability or of any other person interested in the making of the statement or the doing of the thing.

#### *Agency.*

**75.** The following documents, namely,—

- (1) applications for a patent,
- (2) notices of opposition,
- (3) applications for extension of term of a patent,
- (4) applications for the restoration of lapsed patents,
- (5) applications for leave to amend,
- (6) applications for compulsory license or revocation, and
- (7) notices of surrenders of patent,

Subscription and verification of certain documents.

shall be signed and verified, in the manner prescribed, by the person making such applications or giving such notices.

Provided that, if such person is absent from British India, they may be signed and verified on his behalf by an agent resident in British India authorized by him in writing in that behalf.

**76.** (1) All other applications and communications to the Controller under this Act may be signed by, and all attendances upon the Controller may be made by or through a legal practitioner, or by or through an agent authorized to the satisfaction of the Controller. Agency.

(2) The Controller may, if he sees fit, require—

- (a) any such agent to be resident in British India ;
- (b) any person not residing in British India to employ an agent residing in British India ;

- (c) the personal signature or presence of any applicant, opponent or other person.

*Powers, etc., of Governor General in Council.*

Power for  
Governor  
General  
in Council  
to make rules.

**77.** (1) The Governor General in Council may make such rules as he thinks expedient, subject to the provisions of this Act—

- (a) for regulating the practice of registration under this Act ;
- (b) for classifying goods for the purposes of designs ;
- (c) for making or requiring duplicates of specifications, drawings and other documents ;
- (d) for securing and regulating the publishing and selling of copies, at such prices and in such manner as the Governor General in Council thinks fit, of specifications, drawings and other documents ;
- (e) for securing and regulating the making, printing, publishing, and selling of indexes to, and abridgments of, specifications and other documents in the Patent Office ; and providing for the inspection of indexes and abridgments and other documents ;
- (f) generally for regulating the business of the Patent Office, the conduct of proceedings before the Controller, and all things by this Act placed under the direction or control of the Controller or of the Governor General in Council ; and
- (g) generally for the purpose of carrying into effect the provisions of this Act.

(2) The power to make rules under this section shall be subject to the condition of the rules being made after previous publication.

(3) All rules made under this section shall be published in the Gazette of India, and, on such publication, shall have effect as if enacted in this Act.

*Offences.*

Wrongful use  
of words  
“ Patent  
Office.”

**78.** If any person uses on his place of business, or on any document issued by him, or otherwise, the words “ Patent Office,” or any other words suggesting that his place of business is officially connected with, or is, the Patent Office, he shall be punishable with fine which may extend to two hundred rupees, and, in the case of a continuing offence, with further fine of twenty rupees for each day on which the offence is continued after conviction therefor.

*Savings and Repeal.*

Saving for  
prerogative.

**79.** Nothing in this Act shall take away, abridge or prejudicially affect the prerogative of the Crown in relation to the granting of any letters patent or to the withholding of a grant thereof.

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<sup>1</sup> For rules, see Gazette of India, 1911, Pt. II, p. 1441.

V of 1888. 80. The Inventions and Designs Act, 1888, is hereby repealed : Repeal.

Provided that this repeal shall not affect any application under the said Act pending at the commencement of this Act, and all proceedings on such application shall be continued as if this Act had not been passed.

V of 1888. 81. (1) At any time within two years from the commencement of this Act, any person possessing an exclusive privilege under the 'Inventions and Designs Act, 1888, may, by request in writing left at the Patent Office and on payment of the prescribed fee, seek leave to convert his exclusive privilege under the said Act into a patent under this Act. Substitution of patents for rights under repealed Act.

(2) Notice of any application under this section shall be sent to all persons appearing from the address-book kept under the said Act to have any shares or interests in the exclusive privilege.

(3) Save as aforesaid, the procedure prescribed by section 17 in the case of applications under that section shall, so far as may be, apply to every application under this section.

(4) Every patent granted under this section shall be dated as of the date of the exclusive privilege for which it is substituted.

#### THE SCHEDULE.

(See section 57.)

#### FEES.

	Rs.
On application for a patent . . . . .	10
Before sealing a patent . . . . .	30
Before the expiration of the 4th year from the date of the patent.	50
Before the expiration of the 5th year from the date of the patent.	50
Before the expiration of the 6th year from the date of the patent.	50
Before the expiration of the 7th year from the date of the patent.	50
Before the expiration of the 8th year from the date of the patent.	50
Before the expiration of the 9th year from the date of the patent.	100
Before the expiration of the 10th year from the date of the patent.	100
Before the expiration of the 11th year from the date of the patent.	100



THE SCHEDULE—*concl'd.*

FEEs—*concl'd.*

	Rs.
Before the expiration of the 12th year from the date of the patent.	100
Before the expiration of the 13th year from the date of the patent :	100
Provided that the fees for two or more years may be paid in advance.	
On application to extend term of a patent . . . . .	50
Before the expiration of each year of the extended term of a patent or of a new patent granted under section 15.	100
On application for registration of a design . . . . .	3

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THE CRIMINAL TRIBES ACT, 1911 (III OF 1911).

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CONTENTS.

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PRELIMINARY.

SECTIONS.

1. Short title and extent.
2. Definitions.

*Notification of Criminal Tribes.*

3. Power to declare any tribe, gang or class a criminal tribe.

*Registration of Members of Criminal Tribes.*

4. Registration of members of criminal tribes.
5. Procedure in making register.
6. Charge of register.
7. Alterations in register.
8. Complaints of entries in register.
9. Power to take finger-impressions at any time.
10. Members of criminal tribes to report themselves or notify residence.

*Restriction of Movements of Criminal Tribes.*

## SECTIONS.

11. Procedure when deemed expedient to restrict movements of, or settle, criminal tribes.
12. Notification restricting movements of, or settling, tribes.
13. Power to vary specified area or place of residence.
14. Verification of presence of members of tribe within prescribed area or place of residence.
15. Transfer of register in certain cases.

*Settlements and Schools.*

16. Power to place tribe in settlement.
17. Power to place children in schools and to apprentice them.
18. Power of Local Government to discharge or remove persons from settlement or school.
19. Power of Governor General in Council to direct use of any settlement or school in British India for reception of persons.

*Rules.*

20. Power to make rules.

*Penalties and Procedure.*

21. Penalties for failure to comply with terms of notice under section 5 or 7.
22. Penalties for breach of rules.
23. Enhanced punishment for certain offences by members of criminal tribe after previous conviction.
24. Punishment for registered members of criminal tribe found under suspicious circumstances.
25. Arrest of registered person found beyond prescribed limits.
26. Duties of village-headmen, village-watchmen, and owners or occupiers of land to give information in certain cases.
27. Penalty for breach of such duties.

*Supplemental.*

28. Bar of jurisdiction of Courts in questions relating to notifications under sections 3, 12 and 13.
29. Repeals.

## THE SCHEDULE.

ACT No. III OF 1911.<sup>1</sup>

[1st March, 1911.]

An Act to amend the law relating to the registration, surveillance and control of Criminal Tribes.

WHEREAS it is expedient to amend the law relating to the registration, surveillance and control of criminal tribes ; It is hereby enacted as follows :—

*Preliminary.*

Short title  
and extent.

1. (1) This Act may be called the Criminal Tribes Act, 1911 ; and
- (2) It extends to the whole of British India.

Definitions.

2. In this Act, unless there is anything repugnant in the subject or context :

(1) “ criminal tribe ” means a tribe, gang or class of persons declared to be a criminal tribe by a notification under section 3 ;

(2) “ prescribed ” means prescribed by rules under this Act ; and

(3) “ tribe,” “ gang ” or “ class ” includes any part or members of a tribe, gang or class.

*Notification of Criminal Tribes.*

Power to  
declare any  
tribe, gang  
or class a  
criminal tribe.

3. If the Local Government has reason to believe that any tribe, gang or class of persons is addicted to the systematic commission of non-bailable offences, it may, by notification in the local official Gazette, declare that such tribe, gang or class is a criminal tribe for the purposes of this Act.

*Registration of Members of Criminal Tribes.*

Registration  
of members  
of criminal  
tribes.

4. The Local Government may direct the District Magistrate to make, or to cause to be made, a register of the members of any criminal tribe or of any part thereof within his district.

Procedure  
in making  
register.

5. Upon receiving such direction, the District Magistrate shall publish a notice in the prescribed manner at the place where the register is to be made and at such other places as he may think fit, calling upon all the members of such criminal tribe, or of such part thereof as is directed to be registered,—

- (a) to appear at a time and place therein specified before a person appointed by him in this behalf ;
- (b) to give to that person such information as may be necessary to enable him to make the register ; and
- (c) to allow their finger-impressions to be recorded :

<sup>1</sup> For Statement of Objects and Reasons, see Gazette of India, 1910, Pt. V, p. 116 ; for Report of Select Committee, see *ibid*, 1911, Pt. V, p. 21 ; and for Proceedings in Council, see *ibid*, 1910, Pt. VI, p. 2, dated 30th July 1910, and *ibid*, 1911, Pt. VI, pp. 34, 45 and 180.

<sup>2</sup> For instance of notification declaring certain castes to be Criminal Tribes in Bombay, see Bombay Government Gazette, 1911, Pt. I, p. 1614 ; *ibid*, 1912, Pt. I, p. 670, *ibid*, 1913, Pt. I, p. 767.

The powers of a Local Government under sections 3, 4, 10, 13, 16, 17, 18 and 20 have been delegated to the Commissioner in Sindh under s. 2 of Act 5 of 1868 (Bom. Code).

Provided that the District Magistrate may exempt any individual member of such criminal tribe or part thereof from registration.

**6.** The register, when made, shall be placed in the keeping of the Superintendent of Police, who shall, from time to time, report to the District Magistrate any alterations which ought in his opinion to be made therein, either by way of addition or erasure. Charge of register.

**7.** (1) After the register has been placed in the keeping of the Superintendent of Police no person shall be added to the register, and no registration shall be cancelled except by, or by the order in writing of, the District Magistrate. Alterations in register.

(2) Before the name of any person is added to the register under this section, the Magistrate shall give notice in the prescribed manner to the person concerned :

- (a) to appear before him or a person appointed by him in this behalf, at a time and place therein specified ;
- (b) to give him or such person such information as may be necessary to enable him to make the entry ; and
- (c) to allow his finger-impressions to be recorded.

**8.** Any person deeming himself aggrieved by any entry made, or proposed to be made, in such register either when the register is first made or subsequently, may complain to the District Magistrate against such entry, and the Magistrate shall retain such person's name on the register, or enter it therein, or erase it therefrom, as he may see fit. Complaints of entries in register.

**9.** The District Magistrate or any officer empowered by him in this behalf may at any time order the finger-impressions of a registered member of a criminal tribe to be taken. Power to take finger-impressions at any time.

**10.** The Local Government may, by notification in the local official Gazette, direct in respect of any criminal tribe that every registered member thereof shall, in the prescribed manner : Members of criminal tribes to report themselves or notify residence.

- (a) report himself at fixed intervals ; or
- (b) notify his place of residence and any change or intended change of residence, and any absence or intended absence from his residence.

#### *Restriction of Movements of Criminal Tribes.*

**11.** (1) If the Local Government considers that it is expedient that any criminal tribe should be — Procedure when deemed expedient to restrict movements of, or settle, criminal tribes.

- (a) restricted in its movements to any specified area, or
  - (b) settled in any place of residence, it may report the case for the orders of the Governor General in Council.
- (2) Every such report shall state—
- (i) the nature and the circumstances of the offences in which the members of the criminal tribe are believed to have been concerned, and the reasons for such belief ;

- (ii) whether such criminal tribe follows any lawful occupation, and whether such occupation is in the opinion of the Local Government the real occupation of such criminal tribe, or a pretence for the purpose of facilitating the commission of crimes, and the grounds on which such opinion is based ;
- (iii) the area to which it is proposed to restrict the movements of such criminal tribe, or the place of residence in which it is proposed to settle it ; and
- (iv) the manner in which it is proposed that such criminal tribe shall earn its living within the restricted area or in the settlement, and the arrangements which are proposed to be made therefor.

Notification restricting movements of, or settling, tribe.

**12.** If, on the consideration of any such report, the Governor General in Council is satisfied—

- (a) that it is expedient to restrict the movements of such criminal tribe, or to settle it in a place of residence, and
- (b) that the means by which it is proposed that such criminal tribe shall earn its living are adequate,

he may authorize the Local Government to publish in the local official Gazette a notification declaring that such criminal tribe shall be restricted in its movements to the area specified, or shall be settled in the place of residence specified, and the Local Government may publish a notification accordingly.

Power to vary specified area or place of residence.

**13.** The Local Government may at any time by a like notification vary the terms of any notification published by it under section 12, by specifying another area to which the movements of the criminal tribe shall be restricted, or another place of residence in which it shall be settled.

Verification of presence of members of tribe within prescribed area or place of residence. Transfer of register in certain cases.

**14.** Every registered member of a criminal tribe, whose movements have been restricted, or which has been settled in a place of residence, shall attend at such place and at such time and before such person as may be prescribed in this behalf.

**15.** When the area to which the movements of a criminal tribe or any members thereof are restricted, or the place of residence in which a criminal tribe is settled, is situated in a district other than that in which the register mentioned in section 4 was prepared, the register shall be transferred to the Superintendent of Police of the district in which the said area is situated, and the District Magistrate of the said district shall thereupon be empowered to exercise the powers provided in sections 7, 8 and 9.

#### *Settlements and Schools.*

Power to place tribe in settlement.

**16.** The Governor General in Council or the Local Government may establish industrial, agricultural or reformatory settlements, and may place therein any criminal tribe or any part thereof, in respect of which a notification has been published under section 12.

**17.** (1) The Local Government may establish industrial, agricultural or reformatory schools for children, and may separate and remove from their parents or guardians and place in such schools the children of members of any criminal tribe in respect of which a notification has been published under section 12.

Power to place children in schools and to apprentice them.

(2) For every school established under sub-section (1), a Superintendent shall be appointed by the Local Government.

(3) The provisions of sections 18 to 22 (both inclusive) of the <sup>1</sup>Reformatory Schools Act, 1897, shall, so far as may be, apply in the case of every school for children established under this section as if the Superintendent of such school were a Superintendent and the children placed in such school were youthful offenders within the meaning of that Act.

(4) For the purposes of this section the term "children" includes all persons under the age of eighteen and above the age of six years.

(5) The decision of the District Magistrate as to the age of any person for the purposes of this section shall be final.

**18.** The Local Government may at any time, by general or special order, direct any person who may be in any industrial, agricultural or reformatory settlement or school in the Province,—

Power of Local Government to discharge or remove persons from settlement or school.

(a) to be discharged, or

(b) to be removed to some other like settlement or school in the Province.

**19.** The Governor General in Council may, by like order, direct that any person to whom the provisions of section 16 or section 17 are applicable may be placed in, or transferred to, any industrial, agricultural or reformatory settlement or school in any part of British India.

Power of Governor General in Council to direct use of any settlement or school in British India for reception of persons. Power to make rules.

### Rules.

**20.** (1) The Local Government may make <sup>2</sup>rules to carry out the purposes and objects of this Act.

(2) In particular and without prejudice to the generality of the foregoing power, such rules may provide for and regulate—

(a) the form and contents of the register prescribed in section 4 ;

(b) the mode in which the notice prescribed in section 5 shall be published and the means by which the persons whom it concerns, and the village-headmen, village-watchmen and land owners or occupiers of the village in which such persons reside, or the agents of such landowners or occupiers, shall be informed of its publication ;

<sup>1</sup> Genl. Acts, Vol. IV.

<sup>2</sup> For rules made by the Government of Bombay, see Bombay Government Gazette, 1912, Pt. I, p. 333.

By the Government of the United Provinces, see United Provinces Gazette, 1913, Pt. I, p. 1359.

By the Government of Bihar and Orissa, see Bihar and Orissa Gazette, 1913, Pt. II, p. 887.

- (c) the addition of names to the register and the erasure of names therein, and the mode in which the notice prescribed in section 7 shall be given ;
- (d) the mode in which persons mentioned in section 10 shall report themselves, or notify their residence or any change or intended change of residence, or any absence or intended absence ;
- (e) the nature of the restrictions to be observed by persons whose movements have been restricted by notification under section 12 or section 13 ;
- (f) the conditions as to holding passes under which persons may be permitted to leave the place in which they are settled or confined, or the area to which their movements are restricted ;
- (g) the conditions to be inserted in any such pass in regard to—
  - (i) the places where the holder of the pass may go or reside ;
  - (ii) the persons before whom, from time to time, he shall be bound to present himself ; and
  - (iii) the time during which he may absent himself ;
- (h) the place and time at which, and the persons before whom, members of a criminal tribe shall attend in accordance with the provisions of section 14 ;
- (i) the inspection of the residences and villages of any criminal tribe ;
- (j) the terms upon which registered members of criminal tribes may be discharged from the operation of this Act ;
- (k) the management, control and supervision of industrial, agricultural or reformatory settlements and schools ;
- (l) the works on which, and the hours during which, persons placed in an industrial, agricultural or reformatory settlement shall be employed, the rate at which they shall be paid, and the disposal, for the benefit of such persons, of the surplus proceeds of their labour ; and
- (m) the discipline to which persons endeavouring to escape from any industrial, agricultural or reformatory settlement or school, or otherwise offending against the rules for the time being in force, shall be subject, the periodical visitation of such settlement or school and the removal from it of such persons as it shall seem expedient to remove.

*Penalties and Procedure.*

Penalties for failure to comply with terms of notice under section 5 or 7.

**21.** Whoever, being a member of a criminal tribe, without lawful excuse the burden of proving which shall lie upon him,—

- (a) fails to appear in compliance with a notice issued under section 5 or section 7, or
- (b) intentionally omits to furnish any information required under those sections, or,

(c) when required to furnish information under either of those sections, furnishes as true any information which he knows, or has reason to believe to be, false, or

(d) refuses to allow his finger-impressions to be taken, may be arrested without warrant, and shall be punishable with imprisonment for a term which may extend to six months, or with fine which may extend to two hundred rupees, or with both.

**22.** (1) Whoever, being a registered member of a criminal tribe, violates a rule made under clause (e), clause (f) or clause (g) of section 20 shall be punishable with imprisonment for a term which may extend,— Penalties for breach of rules.

- (a) on a first conviction, to one year,
- (b) on a second conviction, to two years, and
- (c) on any subsequent conviction, to three years.

(2) Whoever, being a registered member of a criminal tribe, violates a rule made under any other clause of section 20 shall be punishable,—

- (a) on a first conviction, with imprisonment for a term which may extend to six months, or with fine which may extend to two hundred rupees, or with both; and
- (b) on any subsequent conviction, with imprisonment for a term which may extend to one year, or with fine which may extend to five hundred rupees, or with both.

**23.** (1) Whoever, being a member of any criminal tribe, and, having been Enhanced punishment for certain offences by members of criminal tribe after previous conviction. convicted of any of the offences under the <sup>1</sup>Indian Penal Code specified in the Schedule, is hereafter convicted of the same or any other offence specified in the said Schedule, shall, in the absence of special reasons to the contrary to be mentioned in the judgment of the Court, be punished,—

- (a) on a second conviction, with imprisonment for a term of not less than seven years, and
- (b) on a third conviction, with transportation for life.

(2) Nothing in this section shall affect the liability of such person to any further or other punishment to which he may be liable under the <sup>1</sup>Indian Penal Code or any other law. XLV of 1860.

**24.** Whoever, being a registered member of any criminal tribe, is found in any place under such circumstances as to satisfy the Court— Punishment for registered members of criminal tribe found under suspicious circumstances.

- (a) that he was about to commit, or aid in the commission of, theft or robbery, or

(b) that he was waiting for an opportunity to commit theft or robbery, shall be punishable with imprisonment for a term which may extend to three years, and shall also be liable to fine which may extend to one thousand rupees.



Arrest of  
-registered  
person found  
beyond  
prescribed  
limits.

**25. (1)** Whoever, being a registered member of a criminal tribe,—<sup>1</sup>

- (a) is found in any part of British India, beyond the area, if any, prescribed for his residence, without the prescribed pass, or in a place or at a time not permitted by the conditions of his pass ; or
- (b) escapes from an industrial, agricultural or reformatory settlement or school,

may be arrested without warrant by any police-officer, village-headman or village-watchman, and taken before a Magistrate, who, on proof of the facts, shall order him to be removed to the district in which he ought to have resided or to the settlement or school from which he has escaped (as the case may be), there to be dealt with in accordance with this Act or any rules made thereunder.

(2) The rules for the time being in force for the removal of prisoners shall apply to all persons removed under this section or under any other provision of this Act :

Provided that an order from the Local Government or from the Inspector-General of Prisons shall not be necessary for the removal of such persons.

Duties of  
village-  
headmen,  
village-  
watchmen  
and owners  
or occupiers  
of land  
to give  
information  
in certain  
cases.

**26. (1)** Every village-headman and village-watchman in a village in which any persons belonging to a criminal tribe reside, and every owner or occupier of land on which any such persons reside, or the agent of any such owner or occupier, shall forthwith communicate to the officer in charge of the nearest police-station any information which he may obtain of—

- (a) the failure of any such person to appear and give information as directed in section 5 ; or
- (b) the departure of any registered member of a criminal tribe from such village or from such land (as the case may be).

(2) Every village-headman and village-watchman in a village, and every owner or occupier of land or the agent of such owner or occupier, shall forthwith communicate to the officer in charge of the nearest police-station any information which he may obtain of the arrival at such village or on such land (as the case may be) of any persons who may reasonably be suspected of belonging to any criminal tribes.

Penalty  
for breach of  
such duties.

**27.** Any village-headman, village-watchman, owner or occupier of land, or the agent of such owner or occupier, who fails to comply with the requirements of section 26, shall be deemed to have committed an offence punishable under the first part of section 176 of the <sup>1</sup>Indian Penal Code.

XLV of 1860.

*Supplemental.*

Bar of juris-  
diction  
of Courts  
in questions  
relating to  
notifications

**28.** No Court of justice shall question the validity of any notification published under the provisions of section 3, section 12 or section 13 on the ground that the provisions hereinbefore contained, or any of them, have not been complied with, or entertain in any form whatever the question whether

<sup>1</sup> Genl. Acts, Vol. I.

they have been complied with ; but every such notification shall be conclusive under sections 3, 12 and 13.  
proof that it has been issued in accordance with law.

29. [Repeals] *Rep. by Act X of 1914, Sch. II.*

Repeals.

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#### THE SCHEDULE.

(See section 23.)

#### CHAPTER XII.

##### SECTIONS.

- 231. Counterfeiting coin.
- 232. Counterfeiting Queen's coin.
- 233. Making or selling instrument for counterfeiting coin.
- 234. Making or selling instrument for counterfeiting Queen's coin.
- 235. Possession of instrument or material for the purpose of using the same for counterfeiting coin.
- 239. Delivery of coin, possessed with the knowledge that it is counterfeit.
- 240. Delivery of Queen's coin possessed with the knowledge that it is counterfeit.
- 242. Possession of counterfeit coin by a person who knew it to be counterfeit when he became possessed thereof.
- 243. Possession of Queen's coin by a person who knew it to be counterfeit when he became possessed thereof.

---

#### CHAPTER XVI.

- 299. Culpable homicide.
- 307. Attempt to murder.
- 308. Attempt to commit culpable homicide.
- 310. Being a thug.
- 322. Voluntarily causing grievous hurt.
- 324. Voluntarily causing hurt by dangerous weapons or means.
- 326. Voluntarily causing grievous hurt by dangerous weapons or means.
- 327. Voluntarily causing hurt to extort property or to constrain to an illegal act.
- 328. Causing hurt by means of poison, etc., with intent to commit an offence.
- 329. Voluntarily causing grievous hurt to extort property or to constrain to an illegal act.
- 332. Voluntarily causing hurt to deter public servant from his duty.
- 333. Voluntarily causing grievous hurt to deter public servant from his duty.
- 369. Kidnapping child under ten years with intent to steal from its person.

## CHAPTER XVII.

## SECTIONS.

382. Theft after preparation made for causing death, hurt or restraint, in order to the committing of the theft.
383. Extortion.
385. Putting person in fear of injury in order to commit extortion.
386. Extortion by putting a person in fear of death or grievous hurt.
387. Putting person in fear of death or of grievous hurt in order to commit extortion.
390. Robbery.
391. Dacoity.
393. Attempt to commit robbery.
394. Voluntarily causing hurt in committing robbery.
397. Robbery or dacoity, with attempt to cause death or grievous hurt.
398. Attempt to commit robbery or dacoity when armed with deadly weapon.
399. Making preparation to commit dacoity.
402. Assembling for purpose of committing dacoity.
457. Lurking house-trespass or house-breaking by night in order to the commission of an offence punishable with imprisonment.
458. Lurking house-trespass or house-breaking by night after preparation for hurt, assault or wrongful restraint.
459. Grievous hurt caused whilst committing lurking house-trespass or house-breaking.
460. All persons jointly concerned in lurking house-trespass or house-breaking by night punishable where death or grievous hurt caused by one of them.

ACT No. IV OF 1911.<sup>1</sup>

[2nd March, 1911.]

## An Act to amend the Indian Ports Act, 1908.

WHEREAS it is expedient to amend the <sup>2</sup>Indian Ports Act, 1908 ; It is XV of 1908. hereby enacted as follows :—

Short title.

1. This Act may be called the Indian Ports (Amendment) Act, 1911.

Amendment  
of section 6,  
Act XV, 1908.2. For clause (p) of section 6, sub-section (I), of the <sup>2</sup>Indian Ports Act, XV of 1908, the following shall be substituted, namely :—

“(p) subject to the control of the Governor General in Council, for the prevention of danger arising to the public health by the intro-

<sup>1</sup> For Statement of Objects and Reasons, see Gazette of India, 1910, Pt. V, p. 148; for Report of Select Committee, see *ibid*, 1911, Pt. V, p. 31; and for Proceedings in Council, see *ibid*, 1911, Pt. VI, pp. 34, 45 and 183.

<sup>2</sup> Genl. Acts, Vol. VI.

duction and the spread of any infectious or contagious disease from vessels arriving at, or being in, any such port, and for the prevention of the conveyance of infection or contagion by means of any vessel sailing from any such port, and in particular and without prejudice to the generality of this provision, for—

- (i) the signals to be hoisted and the places of anchorage to be taken up by such vessels having any case, or suspected case, of any infectious or contagious disease on board, or arriving at such port from a port in which, or in the neighbourhood of which, there is believed to be, or to have been at the time when the vessel left such port, any infectious or contagious disease ;
- (ii) the medical inspection of such vessels and of persons on board such vessels ;
- (iii) the questions to be answered and the information to be supplied by masters, pilots and other persons on board such vessels ;
- (iv) the detention of such vessels and of persons on board such vessels ;
- (v) the duties to be performed in cases of any such disease by masters, pilots and other persons on board such vessels ;
- (vi) the removal to hospital or other place approved by the health officer and the detention therein of any person from any such vessel who is suffering or suspected to be suffering from any such disease ;
- (vii) the cleansing, ventilation and disinfection of such vessels or any part thereof and of any articles therein likely to retain infection or contagion, and the destruction of rats or other vermin in such vessels ; and
- (viii) the disposal of the dead on such vessels ; and,”

ACT No. V OF 1911.<sup>1</sup>

[2nd March, 1911.]

An Act further to amend the Indian Tramways Act, 1886.

XI of 1886.

WHEREAS it is expedient further to amend the<sup>2</sup>Indian Tramways Act, 1886 ; It is hereby enacted as follows :—

1. This Act may be called the Indian Tramways (Amendment) Act, 1911. Short title.

<sup>1</sup> For Statement of Objects and Reasons, see Gazette of India, 1910, Pt. V, p. 119 ; for Report of Select Committee, see *ibid.*, 1911, Pt. V, p. 35 ; and for Proceedings in Council, see *ibid.*, 1910, Pt. VI, p. 3, dated 30th July 1910, and *ibid.*, 1911, Pt. VI, pp. 34, 45 and 183.

<sup>2</sup> Genl. Acts, Vol. III.

**Substitution of new clause (5) in section 3, Act XI of 1886.** 2. For section 3, clause (5), of the <sup>1</sup>Indian Tramways Act, 1886, the XI of 1886. following shall be substituted, namely :—  
“(5) ‘tramway’ means a tramway having one, two or more rails, and includes—

- (a) any part of a tramway, or any siding, turnout, connection, line or track belonging to a tramway ;
- (b) any electrical equipment of a tramway ; and
- (c) any electric supply-line transmitting power from a generating station or sub-station to a tramway, or from a generating station to a sub-station from which power is transmitted to a tramway.”

**Amendment of clause (a) of section 3, Act XI of 1886.** 3. In section 3, clause (9), of the said Act, after the words “mechanical power” the words “or electrical power” and after the word “producing” the words “or utilising” shall be inserted.

**Substitution of new clause (e) in section 7 (2), Act XI of 1886.** 4. For section 7, sub-section (2), clause (e), of the said Act, the following shall be substituted, namely :—  
“(e) the space which shall ordinarily intervene between the outside of the carriage way on either side of a road whereon the tramway is to be constructed, and—

- (i) in the case of a tramway having one rail, the rail of the tramway, or
  - (ii) in the case of a tramway having two or more rails, the nearest rail of the tramway,
- and the conditions on which a smaller space may be permitted.”

**Amendment of clause (m) of section 7 (2), Act XI of 1886.** 5. In section 7, sub-section (2), clause (m), of the said Act, after the words “mechanical power” the words “or electrical power” shall be inserted.

**Amendment of clause (e) of section 24 (1), Act XI of 1886.** 6. In section 24, sub-section (1), clause (e), of the said Act, after the words “mechanical power” the words “or electrical power” shall be inserted.

**Amendment of section 44, Act XI of 1886.** 7. In section 44 of the said Act, after the word “engine-sheds” the words “electrical generating stations or sub-stations” shall be inserted.

ACT No. VI of 1911.<sup>2</sup>

[7th March, 1911.]

An Act further to amend the Indian Tariff Act, 1894.

WHEREAS it is expedient further to amend the <sup>3</sup>Indian Tariff Act, 1894 ; VIII of 1894.

It is hereby enacted as follows :—

**Short title.** 1. This Act may be called the Indian Tariff (Amendment) Act, 1911.

<sup>1</sup> Genl. Acts, Vol. III.

<sup>2</sup> For Statement of Objects and Reasons, see Gazette of India, 1911, Pt. V, p. 83 ; and for Proceedings in Council, see *ibid*, 1911, Pt. VI, pp. 179 and 206.

<sup>3</sup> Genl. Acts, Vol. IV.

1911: Act VI.]  
1911: Act VII.]  
1911: Act VIII.]

*Tariff.*  
*Paper Currency.*  
*Army.*

131

VIII of 1894. 2. For item No. 5 of Schedule III to the <sup>1</sup>Indian Tariff Act, 1894, as amended by the <sup>2</sup>Indian Tariff (Amendment) Act, 1910, the following shall be substituted, namely :—

Amendment  
of Schedule  
III, Act  
VIII, 1894.

“5	Tobacco—		<i>R a.</i>
	Unmanufactured . . . . .	pound	1 0
	Cigars . . . . .	”	1 10
	Cigarettes weighing less than 3 lbs. per thousand.	thousand	3 2
	Cigarettes weighing 3 lbs. or more per thousand.	pound	
	Manufactured, other sorts . . . . .	”	1 2”

ACT No. VII. OF 1911<sup>3</sup>.

[16th March, 1911.]

An Act to amend the Indian Paper Currency Act, 1910.

II of 1910. WHEREAS it is expedient to amend the <sup>4</sup>Indian Paper Currency Act, 1910; It is hereby enacted as follows :—

II of 1910. 1. This Act may be called the Indian Paper Currency (Amendment) Act, Short title. 1911.

2. In section 22 of the <sup>4</sup>Indian Paper Currency Act, 1910, for the words “twenty millions” each time they occur, the words “forty millions” shall be substituted.

Amendment  
of section 22,  
Act II, 1910.

## THE INDIAN ARMY ACT, 1911 (VIII OF 1911).

### CONTENTS.

#### CHAPTER I.

##### PRELIMINARY.

##### SECTIONS.

1. Short title and commencement.

##### *Application of Act.*

2. Persons subject to Act.
3. Special provision as to rank in certain cases.

<sup>1</sup> Genl. Acts, Vol. IV.

<sup>2</sup> *Supra*, p. 21.

<sup>3</sup> For Statement of Objects and Reasons, see Gazette of India, 1911, Pt. V, p. 81 and for Proceedings in Council, see *ibid*, 1911, Pt. VI, pp. 206 and 362.

<sup>4</sup> *Supra*, p. 11.

## SECTIONS.

4. Commanding officer of persons subject to military law under section 2, clause (c).
5. Powers to apply Act to certain forces under the Government of India.
6. Officers to exercise powers in case of foreign service.

*Definitions.*

7. Definitions.

## CHAPTER II.

## ENROLMENT AND ATTESTATION.

*Enrolment.*

8. Procedure before enrolling officer.
9. Enrolment.
10. Presumption of enrolment in certain cases.

*Attestation.*

11. Persons to be attested.
12. Mode of attestation.

## CHAPTER III.

## DISMISSAL AND DISCHARGE.

13. Dismissal by Governor General in Council and Commander-in-Chief in India.
14. Dismissal by officer commanding army, division, brigade, etc.
15. Dismissal of convicts.
16. Discharge.
17. Certificate to person dismissed or discharged.
18. Discharge, etc., out of India.

## CHAPTER IV.

## SUMMARY REDUCTION AND PUNISHMENTS OTHERWISE THAN BY ORDER OF COURT-MARTIAL.

19. Reduction of non-commissioned officers.
20. Minor punishments.
21. Collective fines.
22. Punishment of certain Native followers.

*Provost-Marshals.*

## SECTIONS.

- 23. Appointment.
- 24. Duties and powers.

---

CHAPTER V.

## OFFENCES.

*Offences in respect of Military Service.*

- 25. Offences punishable with death.
- 26. Offences not punishable with death.

*Mutiny and Insubordination.*

- 27. Offences punishable with death.
- 28. Offences not punishable with death.

*Desertion, Fraudulent Enrolment and Absence without Leave.*

- 29. Desertion.
- 30. Harbouring deserter, absence without leave, etc.

*Disgraceful Conduct.*

- 31. Disgraceful conduct.

*Intoxication.*

- 32. Intoxication.

*Offences in relation to Persons in Custody.*

- 33. Offences punishable with death.
- 34. Offences not punishable with death.

*Offences in relation to Property.*

- 35. Offences in relation to property.

*Offences in relation to False Documents and Statements.*

- 36. False accusations and offences in relation to documents.
- 37. False answers on enrolment.

*Offences in relation to Courts-martial.*

- 38. Offences in relation to courts-martial.



*Miscellaneous Military Offences.*

## SECTIONS.

39. Miscellaneous military offences.

*Abetment.*

40. Abetment.

*Civil Offences.*

41. Civil offences committed outside British India or on active service in British India.

42. Certain civil offences triable by military law.

## CHAPTER VI.

## PUNISHMENTS.

43. Punishments.

44. Lower punishments.

45. Corporal punishment.

46. Position of corporal punishment in scale.

47. Combination of punishments.

48. Solitary confinement.

49. Reduction of non-commissioned officers to ranks.

## CHAPTER VII.

## PENAL DEDUCTIONS.

50. Deductions from pay and allowances.

51. Deductions from public money other than pay.

52. Remission of deductions.

## CHAPTER VIII.

## COURTS-MARTIAL.

*Constitution and Dissolution of Courts-martial.*

53. Courts-martial and the kinds thereof.

54. Power to convene general courts-martial.

55. Power to convene district courts-martial.

56. Contents of warrant issued under section 54 or section 55.

57. Composition of general courts-martial.

58. Composition of district courts-martial.

59. Convening order to state if larger number of officers is not available.

## SECTIONS.

- 60. Composition of general or district courts-martial.
- 61. Claim to trial by British officers.
- 62. Convening of summary general courts-martial.
- 63. Composition of summary general courts-martial.
- 64. Summary courts-martial.
- 65. Dissolution of courts.

*Jurisdiction of Courts-martial.*

- 66. Prohibition of second trial.
- 67. Limitation of trial.
- 68. Place of trial.

*Adjustment of the jurisdiction of Courts-martial and Criminal Courts.*

- 69. Order in case of concurrent jurisdiction.
- 70. Power of criminal court to require delivery of offender.
- 71. Trial by court-martial no bar to subsequent trial by criminal court.

*Powers of Courts-martial<sup>1</sup>.*

- 72. Powers of general and summary general courts-martial.
- 73. Powers of district court-martial.
- 74. Offences triable by summary court-martial.
- 75. Persons triable by summary court-martial.
- 76. Sentences awardable by summary court-martial.

*Procedure at Trials by Court-martial.*

- 77. President.
- 78. Judge Advocate.
- 79. Superintending officer.
- 80. Challenges.
- 81. Voting of members.
- 82. Oaths of president and members.
- 83. Oaths of witnesses.
- 84. Summoning witnesses and production of documents.
- 85. Commissions.
- 86. Conviction of one offence permissible on charge of another.
- 87. Majority requisite to sentence of death of another.

*Evidence before Courts-martial.*

- 88. General rule as to evidence.
- 89. Judicial notice.
- 90. Presumption as to signatures.

## SECTIONS.

- 91. Enrolment paper.
- 92. Reference by accused to Government officer.
- 93. Evidence of previous convictions and general character.

*Confirmation and Revision of Findings and Sentences.*

- 94. Finding and sentence invalid without confirmation.
- 95. Power to confirm finding and sentence of general court-martial.
- 96. Power to confirm finding and sentence of district court-martial.
- 97. Contents of warrant issued under section 95 or section 96.
- 98. Confirmation of finding and sentence.
- 99. Power of confirming officer to mitigate, remit or commute sentences.
- 100. Revision of finding or sentence.
- 101. Finding and sentence of a summary court-martial.
- 102. Transmission of proceedings of summary courts-martial.
- 103. Substitution of valid for invalid sentence.

---

CHAPTER IX.

## EXECUTION OF SENTENCES.

- 104. Form of sentence of death.
- 105. Imprisonment to be in military custody.
- 106. Commencement of sentence of transportation or imprisonment.
- 107. Execution of sentence of transportation or imprisonment.
- 108. Execution of sentence of imprisonment in special cases.
- 109. Communication of certain orders to civil prison officers.
- 110. Limit of solitary confinement.
- 111. Instrument of corporal punishment.

---

CHAPTER X.

## PARDONS AND REMISSIONS.

- 112. Pardons and remissions.

---

CHAPTER XI.

## RULES.

- 113. Power to make rules.

## CHAPTER XII.

## PROPERTY OF DECEASED PERSONS, DESERTERS AND LUNATICS.

## SECTIONS.

- 114. Property of deceased persons and deserters.  
Meaning of desertion.
  - 115. Disposal of certain property without production of probate, etc.
  - 116. Application of section 114 to lunatics.
- 

## CHAPTER XIII.

## MISCELLANEOUS.

*Military Privileges.*

- 117. Complaints against officers.
- 118. Privileges of persons attending courts-martial.
- 119. Exemption from arrest for debt.
- 120. Property exempted from attachment.
- 121. Application of the last two foregoing sections to reservists.
- 122. Priority of hearing by courts of cases in which Native officers and soldiers are concerned.

*Deserters and Military Offenders.*

- 123. Capture of deserters.
- 124. Arrest by military authorities.
- 125. Arrest by civil authorities.
- 126. Inquiry on absence of person subject to Act.

*Repeal.*

- 127. Repeal.
- 

## THE SCHEDULE.

## REPEAL OF ENACTMENTS.

ACT No. VIII OF 1911.<sup>1</sup>

[16th March, 1911.]

An Act to consolidate and amend the law relating to the government of His Majesty's Native Indian Forces.

WHEREAS it is expedient to consolidate and amend the law relating to the government of the Native officers, soldiers and other persons in His Majesty's Indian Forces ; It is hereby enacted as follows :—

## CHAPTER I.

## PRELIMINARY.

Short title  
and com-  
mencement.

1. (1) This Act may be called the Indian Army Act, 1911.
- (2) It shall come into force on such <sup>2</sup>date as the Governor General in Council may, by notification in the Gazette of India, direct in this behalf.

*Application of Act.*

Persons  
subject to  
Act.

2. (1) The following persons shall be subject to this Act, namely :—

- (a) Native officers and warrant officers ;
- (b) persons enrolled under this Act ;
- (c) persons not otherwise subject to military law, who, on active service in camp, on the march, or at any frontier post specified by the Governor General in Council by <sup>3</sup>notification in this behalf, are employed by, or are in the service of, or are followers of, or accompany any portion of, His Majesty's Forces :

Provided that if any person claims to belong to a class to which the <sup>4</sup>Army <sup>41 & 45 Vict.</sup> Act is, and this Act is not, applicable, the burden of proving that he belongs to that class shall lie upon him. <sup>o. 58.</sup>

- (2) Every person subject to this Act under sub-section (1), clause (a) or (b), shall remain so subject until duly discharged or dismissed.

Special pro-  
vision as to  
rank in  
certain cases.

3. (1) The Governor General in Council may, by <sup>5</sup>notification, direct that any persons or class of persons subject to this Act under section 2, sub-section (1), clause (c), shall be so subject as Native officers, warrant officers or non-commissioned officers, and may authorize any officer to give a like direction with respect to any such person and to cancel such direction.

<sup>1</sup> For Statement of Objects and Reasons, see Gazette of India, 1910, Pt. V, p. 140 ; for Report of Select Committee, see *ibid.* 1911, Pt. V, p. 39 ; and for Proceedings in Council, see *ibid.* 1910, Pt. VI, p. 16, dated 13th August 1910 and *ibid.* 1911, Pt. VI, pp. 34, 46 and 362.

This Act has been declared in force in British Baluchistan, under s. 3 of the British Baluchistan Laws Regulation, 1913 (II of 1913), see Bal. Code.

In the Angul District, by, the Angul Laws Regulation 1913 (III of 1913), s. 3 see B. & Code.

<sup>2</sup> The 1st January 1912, see Gazette of India, 1911, Pt. I, p. 882.

<sup>3</sup> For places declared to be frontier posts under this sub-section and section 22, see Gazette of India, 1911, Pt. I, p. 882.

<sup>4</sup> Coll. Stats., Vol. I.

<sup>5</sup> For notification declaring the rank of certain Civil officers when subject to the Act, see Gazette of India, 1912, Pt. I, p. 580, and *ibid.* 1912, Pt. I, p. 580 and 1048.

(2) All persons subject to this Act other than officers, warrant officers and non-commissioned officers shall, if they are not persons in respect of whom a notification or direction under sub-section (7) is in force be deemed to be of a rank inferior to that of a non-commissioned officer.

4. Every person subject to this Act under section 2, sub-section (1), clause(c), shall, for the purposes of this Act, be deemed to be under the commanding officer of the corps, department or detachment (if any) to which he is attached, and if he is not attached to any corps, department or detachment, under the command of any officer who may for the time being be named as his commanding officer by the officer commanding the force with which such person may for the time being be serving, or of any other prescribed officer, or, if no such officer is named or prescribed, under the command of the said officer commanding the force :

Commanding officer of persons subject to military law under section 2, clause (c).

Provided that an officer commanding a force shall not place a person under the command of an officer of official rank inferior to that of such person if there is present at the place where such person is any officer of higher rank under whose command he can be placed.

5. (1) The Governor General in Council may, by notification, apply all or any of the provisions of this Act to any force raised and maintained in India under the authority of the Governor General in Council.

Powers to apply Act to certain forces under the Government of India.

(2) While any of the provisions of this Act apply to any such force, the Governor General in Council may, by notification, direct by what authority any jurisdiction, powers or duties incident to the operation of these provisions shall be exercised or performed in respect of that force.

6. (1) Whenever persons subject to this Act are serving out of India under an officer not subject to the authority of the Governor General in Council, the Governor General in Council may prescribe the officer by whom the powers which, under this Act, may be exercised by officers commanding armies, divisions and brigades, shall, as regards such persons, be exercised.

Officers to exercise powers in case of foreign service.

(2) The Governor General in Council may confer such powers either absolutely, or subject to such restrictions, reservations, exceptions and conditions as he may think fit.

#### Definitions.

7. In this Act, unless there is something repugnant in the subject or Definitions. context,—

(1) "British officer" means a person holding a commission in His Majesty's land forces :

(2) "Native officer" means a person commissioned, gazetted or in pay as an officer holding a Native rank in His Majesty's Indian Forces :

(3) "warrant officer" means a person appointed, gazetted or in pay as a Native warrant officer in His Majesty's Indian Forces :

(4) "non-commissioned officer" means a person attested under this Act holding a Native non-commissioned rank in His Majesty's Indian Forces, and includes an acting non-commissioned officer :

(5) "officer" means a British officer or Native officer, but does not include a warrant officer or non-commissioned officer :

(6) "commanding officer," when used in any provision of this Act with reference to any separate portion of His Majesty's forces or to any department, means the British officer whose duty it is under the regulations of the army, or, in the absence of any such regulation, by the custom of the service, to discharge with respect to that portion of the forces or that department the functions of commanding officer in regard to matters of the description referred to in that provision :

(7) "superior officer," when used in relation to a person subject to this Act, includes a warrant officer and a non-commissioned officer ; and, as regards persons placed under his orders, a warrant officer or non-commissioned officer subject to the <sup>1</sup>Army Act :

(8) "army," "division" and "brigade" mean respectively an army, <sup>44 & 45 Vict.,</sup> division or brigade which is under the command of an officer subject to the <sub>c. 58.</sub> authority of the Governor General in Council :

(9) "corps" means any separate body of persons subject to this Act, or the Army Act, which is prescribed as a corps for the purposes of all or any of the provisions of this Act :

(10) "independent brigade" means a brigade which does not form part of a division :

(11) "department" includes any division or branch of a department :

(12) "enemy" includes all armed mutineers, armed rebels, armed rioters, pirates and any person in arms against whom it is the duty of a person subject to military law to act :

(13) "active service," as applied to a person subject to this Act, means the time during which such person is attached to, or forms part of, a force which is engaged in operations against an enemy, or is engaged in military operations in, or is on the line of march to, a country or place wholly or partly occupied by an enemy, or is in military occupation of any foreign country :

(14) "military custody" means the arrest or confinement of a person according to the usages of the service :

(15) "military reward" includes any gratuity or annuity for long service or good conduct, any good conduct pay, good service pay or pension, and any other military pecuniary reward :

(16) "court-martial" means a court-martial held under this Act :

(17) "criminal court" means a court of ordinary criminal justice in British India, or established elsewhere by the authority of the Governor General in Council :

(18) "civil offence" means an offence which, if committed in British India, would be triable by a criminal court :

(19) "offence" means any act or omission punishable under this Act, and includes a civil offence as hereinbefore defined :

<sup>1</sup> Coll. Stats, Vol. I.

(20) "notification" means a notification published in the Gazette of India :

(21) "prescribed" means prescribed by rules made under this Act : and

(22) all words and expressions used herein and defined in the Indian Penal Code and not hereinbefore defined shall be deemed to have the meanings respectively attributed to them by that Code.

## CHAPTER II.

### ENROLMENT AND ATTESTATION.

#### *Enrolment.*

8. Upon the appearance before the prescribed enrolling officer of any person desirous of being enrolled, the enrolling officer shall read and explain to him, or cause to be read and explained to him in his presence, the conditions of the service for which he is to be enrolled ; and shall put to him the questions set forth in the prescribed form of enrolment, and shall, after having cautioned him that if he makes a false answer to any such question he will be liable to punishment under this Act, record, or cause to be recorded, his answer to each such question.

9. If, after complying with the provisions of section 8, the enrolling officer is satisfied that the person desirous of being enrolled fully understands the questions put to him and consents to the conditions of service, and if he perceives no impediment, he shall sign the enrolment paper, and the person shall then be deemed to be enrolled.

10. Every person who has for the space of six months been in the receipt of military pay and been borne on the rolls of any corps or department (of which the last pay statement, if produced, shall be evidence) shall be deemed to have been duly enrolled, and shall not be entitled to claim his discharge on the ground of illegality or irregularity in his enrolment.

#### *Attestation.*

11. The following persons shall be attested, namely :—

(a) all persons enrolled as combatants ;

(b) all other enrolled persons prescribed by the Governor General in Council.

Persons to be attested.

12. (1) When a person who is to be attested is reported fit for duty, or has completed the prescribed period of probation, an oath or affirmation shall be administered to him in the prescribed form by his commanding officer, in front of his corps or such portion thereof or such members of his department as may be present, or by any other prescribed person.

Mode of attestation.



(2) The form of oath or affirmation prescribed under this section shall contain a promise that the person to be attested will be faithful to His Majesty, His heirs and successors, and that he will serve in His Majesty's Indian Forces and go wherever he is ordered by land or sea, and that he will obey all commands of any officer set over him, even to the peril of his life.

(3) The fact of an enrolled person having taken the oath or affirmation directed by this section to be taken shall be entered on his enrolment paper, and authenticated by the signature of the officer administering the oath or affirmation.

### CHAPTER III.

#### DISMISSAL AND DISCHARGE.

Dismissal by Governor General in Council and Commander-in-Chief in India.

**13.** The Governor General in Council or the Commander-in-Chief in India may dismiss from the service any person subject to this Act.

Dismissal by officer commanding army, division, brigade, etc.  
Dismissal of convicts.

**14.** An officer commanding an army, division or brigade, or any prescribed officer, may dismiss from the service any person serving under his command other than a Native officer.

**15.** Every person sentenced by any court-martial or by any criminal court to transportation or to rigorous imprisonment for any term exceeding three months, shall be dismissed from the service by his commanding officer :

Provided that on active service any such person may be retained to serve in the ranks, and his service therein shall be reckoned as part of his term of transportation or imprisonment.

Discharge.

**16.** The prescribed authority may, in conformity with any rules prescribed in this behalf, discharge from the service any person subject to this Act.

Certificate to person dismissed or discharged.

**17.** Every enrolled person who is dismissed or discharged from the service shall be furnished by his commanding officer with a certificate, in the English language and in the mother tongue of such person (when his mother tongue is not English), setting forth—

- (a) the authority dismissing or discharging him ;
- (b) the cause of his dismissal or discharge ;
- (c) the full period of his service in the army.

Discharge, etc., out of India.

**18.** (1) Any person enrolled under this Act who is entitled under the conditions of his enrolment to be discharged, or whose discharge is ordered by competent authority, and who, when he is so entitled or ordered to be discharged, is serving out of India, and requests to be sent to India, shall, before being discharged, be sent to India with all convenient speed.

(2) Any person enrolled under this Act who is dismissed from the service and who, when he is so dismissed, is serving out of India, shall be sent to India with all convenient speed.

(3) If any such person has been sentenced by court-martial to any punishment, such punishment may be inflicted before he is sent to India.

#### CHAPTER IV.

##### SUMMARY REDUCTION AND PUNISHMENTS OTHERWISE THAN BY ORDER OF COURT-MARTIAL.

**19.** (1) The Commander-in-Chief in India, an officer commanding an army, division or brigade, or any prescribed officer, may reduce to a lower grade or to the ranks any non-commissioned officer under his command. Reduction of non-commissioned officers.

(2) The commanding officer of an acting non-commissioned officer may order him to revert to his permanent grade as a non-commissioned officer or, if he has no permanent grade above the ranks, to the ranks.

**20.** (1) The Commander-in-Chief in India may, subject to the control of the Governor General in Council, specify the minor punishments to which persons subject to this Act shall be liable without the intervention of a court-martial, and the officer or officers by whom, and the extent to which, such minor punishments may be awarded. Minor punishments.

(2) Imprisonment in military custody may be specified as such a minor punishment, provided that—

(a) the term of such imprisonment shall not exceed twenty-eight days ; and

(b) it shall not be awarded to any person of, or above the rank of, non-commissioned officer, or who, when he committed the offence in respect of which it is awarded, was of, or above, such rank.

**21.** Whenever any weapon or part of a weapon forming part of the equipment of a half squadron, battery, company or other similar unit is lost or stolen, the officer commanding the army, division or independent brigade to which such unit belongs may, after obtaining the report of a court of inquiry, impose a collective fine upon the Native officers, non-commissioned officers and men of such unit, or upon so many of them as, in his judgment, should be held responsible for such loss or theft. Collective fines.

**22.** (1) For any offence, in breach of good order, the commanding officer of any corps or detachment on active service, in camp, on the march, or at any frontier post specified by the Governor General in Council by notification in this behalf at which troops are stationed, may punish any Native follower. Punishment of certain Native followers.

<sup>1</sup> For places so declared, See Gazette of India, 1911, Pt. I, p 882.

of such corps or detachment who is subject to this Act under section 2, sub-section (1), clause (c)—

- (a) if such follower is not a menial servant, with imprisonment for a term which may extend to thirty days, or with fine which may extend to fifty rupees :
- (b) if such follower is a menial servant, with imprisonment for a term which may extend to seven days, or, if on active service, with corporal punishment not exceeding twelve strokes of a rattan.

(2) Imprisonment awarded under this section may be carried out in a military guard, or in a jail, as ordered by the said commanding officer ; and the officer in charge of any jail shall, on the delivery to him of the person of the offender, with a warrant, under the hand of the said commanding officer, detain the offender according to the exigency of the warrant or until he is discharged by due course of law.

#### *Provost-Marshals.*

**Appointment.**      **23.** For the prompt and instant repression of irregularities and offences committed in the field or on the march, provost-marshals may be appointed by the Commander-in-Chief in India or an officer commanding an army, division or independent brigade, or an officer commanding the forces in the field ; and the powers and duties of such provost-marshals shall be regulated according to the established custom of war and the rules of the service.

**Duties and powers.**      **24.** (1) The duties of a provost-marshal so appointed are to take charge of prisoners confined for offences of a general description, to preserve good order and discipline, and to prevent breaches of the same by persons belonging or attached to the army.

(2) The provost-marshal may punish, corporally, then and there, any person subject to this Act below the rank of non-commissioned officer who, on active service and in his view or in the view of any of his assistants, commits any breach of good order and military discipline :

Provided that such punishment shall be limited to the necessity of the case, and shall accord with the orders which the provost-marshal may from time to time receive from the officer commanding the troops, and shall be inflicted with the regulation cat :

Provided also that the orders of the said commanding officer shall in no case authorise such corporal punishment in excess of that awardable by sentence of a court-martial.

(3) If the offender is not on active service, or if the actual commission of the offence is not witnessed by the provost-marshal or any of his assistants, but sufficient proof can be obtained of the offender's guilt, he shall report the case to the officer commanding the troops, who shall deal with the case as he may deem most conducive to the maintenance of good order and military discipline.

## CHAPTER V.

## OFFENCES.

*Offences in respect of Military Service.*

**25.** Any person subject to this Act who commits any of the following offences, that is to say,— Offences punishable with death.

- (a) shamefully abandons or delivers up any garrison, fortress, post or guard committed to his charge, or which it is his duty to defend ;  
or
- (b) in presence of an enemy, shamefully casts away his arms or ammunition, or intentionally uses words or any other means to induce any person subject to military law to abstain from acting against the enemy, or to discourage such person from acting against the enemy, or misbehaves in such manner as to show cowardice ;  
or
- (c) directly or indirectly holds correspondence with, or communicates intelligence to, the enemy, or any person in arms against the State, or who, coming to the knowledge of any such correspondence or communication, omits to discover it immediately to his commanding or other superior officer ; or
- (d) treacherously makes known the watchword to any person not entitled to receive it ; or
- (e) directly or indirectly assists or relieves with money, victuals or ammunition, or knowingly harbours or protects, any enemy or person in arms against the State ; or
- (f) in time of war, or during any military operation, intentionally occasions a false alarm in action, camp, garrison or quarters, or spreads reports calculated to create alarm or despondency ; or
- (g) being a sentry in time of war or alarm, or over any State prisoner, treasure, magazine or dockyard, sleeps upon his post, or quits it without being regularly relieved or without leave ; or
- (h) in time of action, leaves his commanding officer or his post or party, to go in search of plunder ; or
- (i) in time of war, quits his guard, picquet, party or patrol without being regularly relieved or without leave ; or
- (j) in time of war during any military operation, uses criminal force to, or commits an assault on, any person bringing provisions or other necessaries to the camp or quarters of any of His Majesty's forces, or forces a safeguard, or breaks into any house or any other place for plunder, or plunders, injures or destroys any field, garden or other property of any kind ;

shall, on conviction by court-martial, be punished with death, or with such less punishment as is in this Act mentioned.

Offences not  
punishable  
with death.

**26.** Any person subject to this Act who commits any of the following offences, that is to say,—

- (a) strikes, or forces or attempts to force, any sentry ; or
- (b) in time of peace, intentionally occasions a false alarm in camp, garrison or cantonment ; or
- (c) being a sentry, or on guard, plunders or wilfully destroys or injures any property placed under his charge or under charge of his guard ;  
or
- (d) being a sentry, in time of peace, sleeps upon his post, or quits it without being regularly relieved or without leave ;

shall, on conviction by court-martial, be punished with imprisonment, or with such less punishment as is in this Act mentioned.

*Mutiny and Insubordination.*

Offences  
punishable  
with death.

**27.** Any person subject to this Act who commits any of the following offences, that is to say,—

- (a) begins, excites, causes or joins in any mutiny ; or
- (b) being present at any mutiny, does not use his utmost endeavours to suppress the same ; or
- (c) knowing or having reason to believe in the existence of any mutiny, or of any intention to mutiny, or of any conspiracy against the State, does not without delay, give information thereof to his commanding or other superior officer ; or
- (d) uses or attempts to use criminal force to, or commits an assault on, his superior officer, whether on or off duty, knowing or having reason to believe him to be such ; or
- (e) disobeys the lawful command of his superior officer ;

shall, on conviction by court-martial, be punished with death, or with such less punishment as is in this Act mentioned.

Offences not  
punishable  
with death.

**28.** Any person subject to this Act who commits any of the following offences, that is to say,—

- (a) is grossly insubordinate or insolent to his superior officer in the execution of his office ; or
- (b) refuses to superintend or assist in the making of any field-work or other military work of any description ordered to be made either in quarters or in the field ; or
- (c) impedes a provost-marshal or an assistant provost-marshal, or any officer or non-commissioned officer or other person legally exercising authority under or on behalf of a provost-marshal, or, when called on, refuses to assist, in the execution of his duty, the provost-marshal, assistant provost-marshal, or any such officer, non-commissioned officer or other person ;

shall, on conviction by court-martial, be punished with imprisonment, or with such less punishment as is in this Act mentioned.

*Desertion, Fraudulent Enrolment and Absence without Leave.*

**29.** Any person subject to this Act who deserts, or attempts to desert, the service shall, on conviction by court-martial, be punished with death, or with such less punishment as is in this Act mentioned. Desertion.

**30.** Any person subject to this Act who commits any of the following offences, that is to say,— Harbouring deserter, absence without leave, etc.

- (a) knowingly harbours any deserter, or who, knowing, or having reason to believe, that any other person has deserted, or that any deserter has been harboured by any other person, does not without delay give information thereof to his own or some other superior officer, or use his utmost endeavours to cause such deserter to be apprehended; or
- (b) knowing, or having reason to believe, that a person is a deserter, procures or attempts to procure the enrolment of such person; or
- (c) without having first obtained a regular discharge from the corps or department to which he belongs, enrolls himself in the same or any other corps or department; or
- (d) absents himself without leave, or without sufficient cause overstays leave granted to him; or
- (e) being on leave of absence and having received information from proper authority that any corps or portion of a corps, or any department, to which he belongs, has been ordered on active service, fails, without sufficient cause, to rejoin without delay; or
- (f) without sufficient cause fails to appear at the time fixed at the parade or place appointed for exercise or duty; or
- (g) when on parade, or on the line of march, without sufficient cause or without leave from his superior officer quits the parade or line of march; or
- (h) in the time of peace, quits his guard, picquet or patrol without being regularly relieved or without leave; or
- (i) without proper authority is found two miles or upwards from camp; or
- (j) without proper authority is absent from his cantonment or lines afterattoo, or from camp after retreat-beating;

shall, on conviction by court-martial, be punished with imprisonment, or with such less punishment as is in this Act mentioned.

*Disgraceful Conduct.*

Disgraceful  
conduct.

**31.** Any person subject to this Act who commits any of the following offences, that is to say,—

- (a) dishonestly misappropriates or converts to his own use any money, provisions, forage, arms, clothing, ammunition, tools, instruments, equipments or military stores of any kind, the property of Government, entrusted to him ; or
- (b) dishonestly receives or retains any property in respect of which an offence under clause (a) has been committed, knowing or having reason to believe the same to have been dishonestly misappropriated or converted ; or
- (c) wilfully destroys or injures any property of Government entrusted to him ; or
- (d) commits theft in respect of any property of Government, or of any military mess, band or institution, or of any person subject to military law, or serving with, or attached to, the army ; or
- (e) dishonestly receives or retains any such property as is specified in clause (d), knowing or having reason to believe it to be stolen ; or
- (f) does any other thing with intent to defraud, or to cause wrongful gain to one person or wrongful loss to another person ; or
- (g) malingers or feigns or produces disease or infirmity in himself, or intentionally delays his cure or aggravates his disease or infirmity ; or
- (h) with intent to render himself or any other person unfit for service, voluntarily causes hurt to himself or any other person ; or
- (i) commits any offence of a cruel, indecent or unnatural kind, or attempts to commit any such offence and does any act towards its commission ;

shall, on conviction by court-martial, be punished with imprisonment, or with such less punishment as is in this Act mentioned.

*Intoxication.*

Intoxication.

**32.** Any person subject to this Act who is in a state of intoxication, whether on duty or not on duty, shall, on conviction by court-martial, be punished with imprisonment, or with such less punishment as is in this Act mentioned.

*Offences in relation to Persons in Custody.*

Offences  
punishable  
with death.

**33.** Any person, subject to this Act who, without proper authority, releases any State prisoner, enemy, or person taken in arms against the State, placed under his charge, or who negligently suffers any such prisoner, enemy or person to escape, shall, on conviction by court-martial, be punished with death, or with such less punishment as is in this Act mentioned.

**34.** Any person subject to this Act who commits any of the following offences, that is to say,— Offences not punishable with death.

- (a) being in command of a guard, picquet or patrol, refuses to receive any prisoner or person duly committed to his charge ; or
- (b) without proper authority releases any prisoner or person placed under his charge, or negligently suffers any such prisoner or person to escape ; or
- (c) being in military custody, leaves such custody before he is set at liberty by proper authority ;

shall, on conviction by court-martial, be punished with imprisonment, or with such less punishment as is in this Act mentioned.

*Offences in relation to Property.*

**35.** Any person subject to this Act who commits any of the following offences, that is to say,— Offences in relation to property.

- (a) commits extortion, or without proper authority exacts from any person carriage, portage or provisions ; or
- (b) in time of peace, commits house-breaking for the purpose of plundering, or plunders, destroys or damages any field, garden or other property ; or
- (c) designedly or through neglect kills, injures, makes away with, ill-treats or loses his horse or any animal used in the public service ; or
- (d) makes away with, or is concerned in making away with, his arms, ammunition, equipments, instruments, tools, clothing or regimental necessities ; or
- (e) loses by neglect anything mentioned in clause (d) ; or
- (f) wilfully injures anything mentioned in clause (d) or any property belonging to Government, or to any military mess, band or institution, or to any person subject to military law, or serving with, or attached to the army ; or
- (g) sells, pawns, destroys or defaces any medal or decoration granted to him ;

shall, on conviction by court-martial, be punished with imprisonment, or with such less punishment as is in this Act mentioned.

*Offences in relation to False Documents and Statements.*

**36.** Any person subject to this Act who commits any of the following offences, that is to say,— False accusations and offences in relation to documents.

- (a) makes a false accusation against any person subject to military law, knowing such accusation to be false ; or



- (b) in making any complaint under section 117, knowingly makes any false statement affecting the character of any person subject to military law, or knowingly and wilfully suppresses any material fact ; or
- (c) obtains or attempts to obtain for himself, or for any other person, any pension, allowance or other advantage or privilege by a statement which is false, and which he either knows or believes to be false or does not believe to be true, or by making or using a false entry in any book or record, or by making any document containing a false statement, or by omitting to make a true entry or document containing a true statement ; or
- (d) knowingly furnishes a false return or report of the number or state of any men under his command or charge, or of any money, arms, ammunition, clothing, equipments, stores or other property in his charge, whether belonging to such men or to Government or to any person in, or attached to, the army, or who, through design or culpable neglect, omits or refuses to make or send any return or report of the matters aforesaid ;

shall, on conviction by court-martial, be punished with imprisonment, or with such less punishment as is in this Act mentioned.

False answers  
on enrolment.

**37.** Any person having become subject to this Act who is discovered to have made a wilfully false answer to any question set forth in the prescribed form of enrolment which has been put to him by the enrolling officer before whom he appears for the purpose of being enrolled, shall, on conviction by court-martial be punished with imprisonment, or with such less punishment as is in this Act mentioned.

*Offences in relation to Courts-martial.*

Offences in  
relation to  
courts-  
martial.

**38.** Any person subject to this Act who commits any of the following offences, that is to say,—

- (a) when duly summoned to attend as a witness before a court-martial intentionally omits to attend, or refuses to be sworn or affirmed or to answer any question, or to produce or deliver up any book, document or other thing which he may have been duly warned and called upon to produce or deliver up ; or
- (b) intentionally offers any insult, or causes any interruption or disturbance to, or uses any menacing or disrespectful word, sign or gesture, or is insubordinate or violent, in the presence of, a court-martial while sitting ; or
- (c) having been duly sworn or affirmed before any court-martial or other military court competent to administer an oath or affirmation, makes any statement which is false, and which he either knows or believes to be false or does not believe to be true ;

shall, on conviction by court-martial, be punished with imprisonment, or with such less punishment as is in this Act mentioned.

*Miscellaneous Military Offences.*

**39.** Any person subject to this Act who commits any of the following offences, that is to say,—

Miscellaneous  
military  
offences.

- (a) being an officer or warrant officer, behaves in a manner unbecoming his position and character ; or
- (b) strikes or otherwise ill-treats any person subject to this Act being his subordinate in rank or position ; or
- (c) being in command at any post or on the march and receiving a complaint that any one under his command has beaten or otherwise maltreated or oppressed any person, or has disturbed any fair or market, or committed any riot or trespass, fails to have due reparation made to the injured person or to report the case to the proper authority ; or
- (d) by defiling any place of worship, or otherwise, intentionally insults the religion or wounds the religious feelings of any person ; or
- (e) attempts to commit suicide and does any act towards the commission of such offence ; or
- (f) being below the rank of warrant officer, when off duty, appears, without proper authority, in or about camp or cantonments, or in or about, or when going to, or returning from, any town or bázár, carrying a sword, bludgeon or other offensive weapon ; or
- (g) directly or indirectly accepts or obtains, or agrees to accept or attempts to obtain, for himself or for any other person, any gratification as a motive or reward for procuring the enrolment of any person, or leave of absence, promotion or any other advantage or indulgence for any person in the service ; or
- (h) neglects to obey any general or garrison or other orders ; or
- (i) is guilty of any act or omission which, though not specified in this Act, is prejudicial to good order and military discipline ;

shall, on conviction by court-martial, be punished with imprisonment, or with such less punishment as is in this Act mentioned.

*Abetment.*

**40.** Every person subject to this Act who abets any offence punishable under this Act may be punished with the punishment provided in this Act for such offence.

*Civil Offences.*

**41.** Every person subject to this Act who at any place beyond British India, or when on active service in British India, commits any civil offence shall be deemed to be guilty of an offence against military law, and, if

Civil offences  
committed  
outside Bri-  
tish India

or on active  
service in  
British India.

charged therewith under this section, shall, subject to the provisions of this Act, be liable to be tried for the same by court-martial, and on conviction to be punished as follows, that is to say :—

- (a) if the offence is one which would be punishable under the law of British India with death or with transportation, he shall be liable to suffer any punishment assigned for the offence by the law of British India ; and
- (b) in other cases, he shall be liable to suffer any punishment assigned for the offence by the law of British India, or such punishment as might be awarded to him in pursuance of this Act in respect of an act prejudicial to good order and military discipline.

Certain civil  
offences  
triable by  
military  
law.

**42.** Every person subject to this Act who commits, or attempts to commit, or abets the commission of, an offence punishable under Chapter VI of the <sup>XLV of</sup> Indian Penal Code, or any of the following offences against any person sub- 1863.  
ject to military law, that is to say, murder, culpable homicide or any offence punishable under any of the sections 323 to 335 (both inclusive), or section 506 of the said Code, shall be deemed to be guilty of an offence against military law, and, if charged under this section with any such offence, shall, subject to the provisions of this Act, be liable to be tried by court-martial, and on conviction shall be liable to suffer any punishment assigned for the offence by the said Code.

## CHAPTER VI.

### PUNISHMENTS.

Punishments.

**43.** Punishments may be inflicted in respect of offences committed by persons subject to this Act, and convicted by court-martial, according to the scale following, that is to say :—

- (a) death ;
- (b) transportation for life or for any period not less than seven years ;
- (c) imprisonment (with or without solitary confinement) for any term not exceeding fourteen years ;
- (d) dismissal from the service ;
- (e) in the case of officers and warrant officers, suspension from rank, pay and allowances for any stated period ;
- (f) reduction, in the case of a warrant officer, to a lower grade or class (if any) of warrant officer, or in the case of a non-commissioned officer, to a lower grade or to the ranks ;
- (g) in the case of officers, warrant officers and non-commissioned officers, forfeiture of seniority of rank ;
- (h) forfeitures and stoppages as follows, namely :—
  - (i) forfeiture of service for the purpose of promotion, increased pay, pension or any other prescribed purpose ;

- (ii) forfeiture of any military decoration or military reward ;
- (iii) forfeiture, in the case of a person sentenced to dismissal from the service or whose sentence involves such dismissal, of all arrears of pay and allowances and other public money due to him at the time of such dismissal ;
- (iv) stoppages of pay and allowances until any proved loss of damage occasioned by the offence of which he is convicted is made good.

**44.** Where in respect of any offence under this Act there is specified a <sup>Lower</sup> particular punishment or such less punishment as is in this Act mentioned, <sup>punishment.</sup> there may be awarded in respect of that offence, instead of such particular punishment (but subject to the other provisions of this Act as to punishments, and regard being had to the nature and degree of the offence) any one punishment lower in the above scale than the particular punishment.

**45.** Where any person subject to this Act and under the rank of <sup>Corporal</sup> warrant officer— <sup>punishment.</sup>

- (a) on active service is guilty of any offence ; or
- (b) at any time is guilty of the offence specified in clause (d) of section 31 ; or
- (c) at any time is guilty of a civil offence which would be punishable with whipping under the law of British India, and is triable by court-martial under this Act,

it shall be lawful for a court-martial to award for that offence corporal punishment not exceeding thirty lashes.

**46.** Corporal punishment shall, for the purpose of commutation, be <sup>Position of corporal punishment in scale.</sup> deemed to stand in the scale of punishments next below dismissal.

**47.** A sentence of a court-martial may award, in addition to or without <sup>Combination of punishments.</sup> any one other punishment, any one or more of the punishments specified in clauses (d), (f) and (h) of section 43.

**48.** Whenever any person is sentenced to rigorous imprisonment, <sup>Solitary confinement.</sup> the court may, by its sentence, order that the offender shall be kept in solitary confinement for any portion or portions of the imprisonment to which he is sentenced, not exceeding three months in the whole, according to the following scale, that is to say,—

- (a) a time not exceeding one month if the term of imprisonment does not exceed six months ;
- (b) a time not exceeding two months if the term of imprisonment exceeds six months and does not exceed one year ;
- (c) a time not exceeding three months if the term of imprisonment exceeds one year.

**49.** A non-commissioned officer sentenced by court-martial to transport- <sup>Reduction of non-commissioned officers to rank.</sup> ation, imprisonment, corporal punishment or dismissal from the service, shall be deemed to be reduced to the ranks.

## CHAPTER VII.

## PENAL DEDUCTIONS.

Deductions  
from pay  
and allow-  
ances.

**50.** The following penal deductions may be made from the pay and allowances of a person subject to this Act, that is to say,—

- (a) all pay and allowances for every day of absence either on desertion or without leave, or as a prisoner of war, and for every day of imprisonment awarded by a criminal court, a court-martial, or an officer exercising authority under section 20 ;
- (b) all pay and allowances for every day whilst he is in custody on a charge for an offence of which he is afterwards convicted by a criminal court or court-martial, or on a charge of absence without leave for which he is afterwards awarded imprisonment by an officer exercising authority under section 20 ;
- (c) all pay and allowances for every day on which he is in hospital on account of sickness certified by the proper medical officer attending on him at the hospital to have been caused by an offence under this Act committed by him ;
- (d) all pay and allowances ordered by a court-martial to be suspended or forfeited under section 43 ;
- (e) any sum ordered by a court-martial to be stopped under section 43 ;
- (f) any sum required to make good such compensation for any expenses caused by him, or for any loss of, or damage or destruction done by him to, any arms, ammunition, equipment, clothing, instruments, regimental necessities or military decoration, or to any buildings or property, as may be awarded by his commanding officer ;
- (g) any sum required to pay a fine awarded by a criminal court, a court-martial exercising jurisdiction under section 41 or section 42, or an officer exercising authority under section 20 or section 21 :

Provided that the total deductions from the pay and allowances of a person subject to this Act made under clauses (e) to (g), both inclusive, shall not (except in the case of a person sentenced to dismissal or whose sentence involves dismissal), exceed in any one month one-half of his pay and allowances for that month.

*Explanation.*—For the purposes of clauses (a) and (b)—

- (i) absence or custody for six consecutive hours or upwards, whether wholly in one day or partly in one day and partly in another, may be reckoned as absence or custody for a day ;
- (ii) absence or custody for twelve consecutive hours or upwards may be reckoned as absence or custody for the whole of each day during any portion of which the person was absent or in custody ; and

- (iii) any absence or custody for less than a day may be reckoned as absence or custody for a day if such absence or custody prevented the absentee from fulfilling any military duty which was thereby thrown upon some other person.

**51.** Any sum authorized by this Act to be deducted from the pay and allowances of any person may, without prejudice to any other mode of recovering the same, be deducted from any public money due to him other than a pension. Deductions from public money other than pay.

**52.** Any deduction from pay and allowances authorized by this Act may be remitted in such manner and by such authority as may from time to time be prescribed. Remission of deductions.

## CHAPTER VIII.

### COURTS-MARTIAL.

#### *Constitution and Dissolution of Courts-martial.*

**53.** For the purposes of this Act there shall be four kinds of courts-martial, that is to say :— Courts-martial and the kinds thereof.

- (1) general courts-martial ;
- (2) district courts-martial ;
- (3) summary general courts-martial ; and
- (4) summary courts-martial.

**54.** A general court-martial may be convened by the Commander-in-Chief in India, or by any officer empowered in this behalf by warrant of the Commander-in-Chief in India. Power to convene general courts-martial.

**55.** A district court-martial may be convened by any officer having power to convene a general court-martial, or by any officer empowered in this behalf by warrant of any such officer. Power to convene district courts-martial.

**56.** A warrant issued under section 54 or section 55 may contain such restrictions, reservations or conditions as the officer issuing it may think fit. Contents of warrant issued under section 54 or section 55.

**57.** A general court-martial shall consist of not less than seven officers unless that number, due regard being had to the public service, is not available, in which case the court may consist of not less than five officers. Composition of general courts-martial.

**58.** A district court-martial shall consist of not less than three officers. Composition of district courts-martial.

**59.** Whenever a general court-martial is ordered to be composed of the smaller number of officers specified in section 57, the order convening the court shall state that the larger number of officers is not, due regard being Convening order to state if larger number of

officers is not available. had to the public service, available, and such statement shall be conclusive evidence of the fact so stated.

Composition of general or district courts-martial. **60.** The officers composing a general or district court-martial shall, at the discretion of the convening officer, but subject to the provisions of section 61, either be British or Native officers, but shall not be partly British and partly Native officers.

Claim to trial by British officers. **61.** (1) Any person subject to this Act who is under orders for trial by general or district court-martial may claim to be tried by British officers.

(2) In all cases the right of making such a claim shall, before the court is convened, be explained to the person under orders for trial by the commanding officer, or some officer deputed by him in this behalf, and, when such a claim is made, the court shall be constituted accordingly.

Convening of summary general courts-martial. **62.** The following authorities shall have power to convene a summary general court-martial, namely :—

- (a) an officer empowered in this behalf by an order of the Governor General in Council or of the Commander-in-Chief in India ;
- (b) on active service, the officer commanding the forces in the field, or any officer empowered by him in this behalf ;
- (c) an officer commanding any detached portion of His Majesty's troops upon active service, when, in his opinion, it is not practicable, with due regard to discipline and the exigencies of the service, that an offence should be tried by an ordinary general court-martial.

Composition of summary general courts-martial. **63.** A summary general court-martial shall consist of not less than three officers.

Summary courts-martial.

**64.** (1) A summary court-martial may be held—

- (a) by the commanding officer of any corps or department of His Majesty's Indian forces, or of any detachment of those forces ;
- (b) by the commanding officer of any British corps or detachment to which details subject to this Act are attached.

(2) At every summary court-martial the officer holding the trial shall alone constitute the court, but the proceedings shall be attended throughout by two other officers who shall not, as such, be sworn or affirmed.

Dissolution of courts.

**65.** (1) If a court-martial after the commencement of a trial is reduced below the smallest number of officers of which it is by this Act required to consist, it shall be dissolved :

Provided that a general court-martial shall not be dissolved under the provisions of this sub-section unless it is reduced below five officers.

(2) If, on account of the illness of the accused before the finding, it is impossible to continue the trial, a court-martial shall be dissolved.

(3) Where a court-martial is dissolved under this section, the accused may be tried again.

*Jurisdiction of Courts-martial.*

66. When any person subject to this Act has been acquitted or convicted of an offence by a court-martial or by a criminal court, or has been summarily dealt with for an offence under section 20 or section 22, he shall not be liable to be tried again for the same offence by a court-martial or dealt with summarily in respect of it under either of the said sections. Prohibition of second trial.

67. No person subject to this Act shall be tried or punished by a court-martial for any offence after the expiration of three years from the date of such offence, unless the offender, by reason of absence or of some other manifest impediment, could not be arrested or confined and brought to trial within that period; in which case he shall be liable to be tried at any time not exceeding two years after such impediment has ceased. Limitation of trial.

68. Any person subject to this Act who commits any offence against it may be tried and punished for such offence in any place whatever. Place of trial.

*Adjustment of the jurisdiction of Courts-martial and Criminal Courts.*

69. When a criminal court and a court-martial have each jurisdiction in respect of an offence, it shall be in the discretion of the prescribed military authority to decide before which court the proceedings shall be instituted, and, if that authority decides that they shall be instituted before a court-martial, to direct that the accused person shall be detained in military custody. Order in case of concurrent jurisdiction.

70. (1) When a criminal court having jurisdiction is of opinion that proceedings ought to be instituted before itself in respect of any alleged offence it may by written notice require the prescribed military authority at its option either to deliver over the offender to the nearest magistrate to be proceeded against according to law, or to postpone proceedings pending a reference to the Governor General in Council. Power of criminal court to require delivery of offender.

(2) In every such case the said authority shall either deliver over the offender in compliance with the requisition or shall forthwith refer the question as to the court before which the proceedings are to be instituted for the determination of the Governor General in Council, whose order upon such reference shall be final.

71. (1) Notwithstanding anything contained in section 26 of the <sup>1</sup>General Clauses Act, 1897, or in section 403 of the <sup>2</sup>Code of Criminal Procedure, 1898, a person convicted or acquitted by a court-martial may be afterwards tried by a criminal court for the same offence or on the same facts. Trial by court-martial no bar to subsequent trial by criminal court.

(2) If a person, sentenced by a court-martial in pursuance of this Act, to punishment for an offence, is afterwards tried by a criminal court for the same offence or on the same facts, that court shall, in awarding punishment, have regard to the military punishment he may already have undergone.

<sup>1</sup> Genl. Acts, Vol. IV.

<sup>2</sup> Genl. Acts, Vol. V.



*Powers of Courts-martial.*

Powers of  
general and  
summary  
general  
courts-  
martial.  
Powers of  
district  
court-  
martial.

**72.** A general or summary general court-martial shall have power to try any person subject to this Act for any offence made punishable therein, and to pass any sentence authorized by this Act.

**73.** A district court-martial shall have power to try any person subject to this Act, other than an officer, for any offence made punishable therein, and to pass any sentence authorized by this Act other than a sentence of death or transportation, or imprisonment for a term exceeding two years.

Offences  
triable by  
summary  
court-  
martial.

**74.** A summary court-martial may try any offence punishable under any of the provisions of this Act :

Provided that when there is no grave reason for immediate action and reference can without detriment to discipline be made to the officer empowered to convene a district court-martial for the trial of the alleged offender, an officer holding a summary court-martial shall not try without such reference any of the following offences, namely :—

(a) any offence punishable under sections 25, 27, clauses (a), (b) or (c), 33, 41, or 42, or

(b) any offence against the officer holding the court.

Persons  
triable by  
summary  
court-  
martial.  
Sentences  
awardable by  
summary  
court-  
martial.

**75.** A summary court-martial may try any person subject to this Act and under the command of the officer holding the court, except an officer or warrant officer.

**76.** (1) A summary court-martial held by the commanding officer of a corps or department may pass any sentence which can be passed under this Act, except a sentence of death or transportation, or of imprisonment for a term exceeding one year.

(2) A summary court-martial held by any other officer may pass any sentence which can be passed under this Act, except a sentence of death or transportation, or of imprisonment for a term exceeding six months.

*Procedure at Trials by Court-martial.*

President.

**77.** At every general, district or summary general court-martial the senior member shall sit as president.

Judge Ad-  
vocate.

**78.** Every general court-martial shall, and every district court-martial may, be attended by a judge advocate, who shall be either an officer belonging to the department of the Judge Advocate General in India, or, if no such officer is available, a person appointed by the convening officer.

Superintend-  
ing officer.

**79.** A British officer of not less than four years' service, hereinafter called the superintending officer, shall be appointed to superintend the proceedings of every court-martial composed of Native officers which is not attended by a judge advocate.

Challenges.

**80.** (1) At all trials by general, district or summary general courts-martial, as soon as the court is assembled, the names of the president and members

shall be read over to the accused, who shall thereupon be asked whether he objects to being tried by any officer sitting on the court.

• (2) If the accused objects to any such officer, his objection, and also the reply thereto of the officer objected to, shall be heard and recorded, and the remaining officers of the court shall, in the absence of the challenged officer, decide on the objection.

(3) If the objection is allowed by one-half or more of the votes of the officers entitled to vote, the objection shall be allowed, and the member objected to shall retire, and his vacancy may be filled in the prescribed manner by another officer, subject to the same right of the accused to object.

(4) When no challenge is made, or when challenge has been made and disallowed, or the place of every officer successfully challenged has been filled by another officer to whom no objection is made or allowed, the court shall proceed with the trial.

81. (1) Every decision of a court-martial shall be passed by an absolute majority of votes; and where there is an equality of votes, as to either finding or sentence, the decision shall be in favour of the accused. Voting of members.

(2) In matters other than a challenge or the finding or sentence, the president shall have a casting vote.

82. An oath or affirmation in the prescribed form shall be administered to every member of every court-martial and to the judge advocate or superintending officer before the commencement of the trial. Oaths of president and members.

83. Every person giving evidence at a court-martial shall be examined on oath or affirmation, and shall be duly sworn or affirmed in the prescribed form. Oaths of witnesses.

84. (1) The convening officer, the president of the court, the judge advocate, or the commanding officer of the accused person, may, by summons under his hand, require the attendance before the court, at a time and place to be mentioned in the summons, of any person, either to give evidence or to produce any document or other thing. Summoning witnesses and production of documents.

(2) In the case of a witness amenable to military authority, the summons shall be sent to the officer commanding the corps, department or detachment to which he belongs, and such officer shall serve it upon him accordingly.

(3) In the case of any other witness, the summons shall be sent to the magistrate within whose jurisdiction he may be or reside, and such magistrate shall give effect to the summons as if the witness were required in the court of such magistrate.

(4) When a witness is required to produce any particular document or other thing in his possession or power, the summons shall describe it with convenient certainty.

(5) Nothing in this section shall be deemed to affect the <sup>1</sup>Indian Evidence Act, 1872, sections 123 and 124, or to apply to any letter, postcard, telegram or other document in the custody of the postal or telegraph authorities.

(6) If any document in such custody is, in the opinion of any district magistrate, chief presidency magistrate, high court or court of session, wanted for the purpose of any court-martial, such magistrate, or court may require the postal or telegraph authorities, as the case may be, to deliver such document to such person as such magistrate or court may direct.

(7) If any such document is, in the opinion of any other magistrate or of any commissioner of police or district superintendent of police, wanted for any such purpose, he may require the postal or telegraph authorities, as the case may be, to cause search to be made for and to detain such document pending the orders of any such district magistrate, chief presidency magistrate or court.

Commissions.

**85.** (1) Whenever, in the course of a trial by court-martial, it appears to the court that the examination of a witness is necessary for the ends of justice, and that the attendance of such witness cannot be procured without an amount of delay, expense or inconvenience which, in the circumstances of the case, would be unreasonable, such court may address the Judge Advocate General in order that a commission to take the evidence of such witness may be issued.

(2) The Judge Advocate General may then, if he thinks necessary, issue a commission to any district magistrate or magistrate of the first class, within the local limits of whose jurisdiction such witness resides, to take the evidence of such witness.

(3) When the witness resides in the territories of any prince or chief in India in which there is an officer representing the British Indian Government, the commission may be issued to such officer.

(4) The magistrate or officer to whom the commission is issued, or, if he is the district magistrate, he or such magistrate of the first class as he appoints in this behalf, shall proceed to the place where the witness is, or shall summon the witness before him and shall take down his evidence in the same manner, and may for this purpose exercise the same powers, as in trials of warrant-cases under the Code of Criminal Procedure,<sup>1</sup> 1898.

V<sup>c</sup> of 1898

(5) Where the commission is issued to such officer as is mentioned in subsection (3), he may delegate his powers and duties under the commission to any officer subordinate to him whose powers are not less than those of a magistrate of the first class in British India.

(6) When the witness resides out of India, the commission may be issued to any British consular officer, British magistrate or other British official competent to administer an oath or affirmation in the place where such witness resides.

(7) The prosecutor and the accused person in any case in which a commission is issued may respectively forward any interrogatories in writing which the court may think relevant to the issue, and the magistrate or officer to whom the commission is issued shall examine the witness upon such interrogatories.

<sup>1</sup>Genl Acts, Vol. V.

(8) The prosecutor and the accused person may appear before such magistrate or officer by pleader or, except in the case of an accused person in custody, in person, and may examine, cross-examine and re-examine (as the case may be) the said witness.

(9) After any commission issued under this section has been duly executed, it shall be returned, together with the deposition of the witness examined thereunder, to the Judge Advocate General.

(10) On receipt of a commission and deposition returned under sub-section (9), the Judge Advocate General shall forward the same to the court at whose instance the commission was issued, or, if such court has been dissolved, to any other court convened for the trial of the accused person; and the commission, the return thereto and the deposition shall be open to the inspection of the prosecutor and the accused person, and may, subject to all just exceptions, be read, in evidence in the case by either the prosecutor or the accused, and shall form part of the proceedings of the court.

(11) In every case in which a commission is issued under this section, the trial may be adjourned for a specified time reasonably sufficient for the execution and return of the commission.

*Explanation.*—In this section, the expression “ Judge Advocate General ” means the Judge Advocate General in India, and includes a Deputy Judge Advocate General.

**86.** (1) A person charged before a court-martial with desertion may be found guilty of attempting to desert or of being absent without leave.

(2) A person charged before a court-martial with attempting to desert may be found guilty of desertion or of being absent without leave.

(3) A person charged before a court-martial with any of the following offences specified in section 31, that is to say, theft, dishonest misappropriation or conversion to his own use of property entrusted to him, or dishonestly receiving or retaining property in respect of which any of the aforesaid offences has been committed, knowing or having reason to believe it to have been stolen or dishonestly misappropriated or converted, may be found guilty of any other of these offences with which he might have been charged.

(4) A person charged before a court-martial with an offence punishable under section 41 or section 42 may be found guilty of any other offence of which he might have been found guilty if the provisions of the <sup>1</sup>Code of Criminal Procedure, 1898, were applicable.

(5) A person charged before a court-martial with any other offence under this Act may, on failure of proof of an offence having been committed in circumstances involving a more severe punishment, be found guilty of the same offence as having been committed in circumstances involving a less severe punishment.

**87.** No sentence of death shall be passed by any court-martial without the concurrence of two-thirds at the least of the members of the court.

Conviction of one offence permissible on charge of another.

Majority requisite to sentence of death.

<sup>1</sup> Genl. Acts, Vol. V.

*Evidence before Courts-martial.*

General rule  
as to evi-  
dence.  
Judicial  
notice.

**88.** The <sup>1</sup>Indian Evidence Act, 1872, shall, subject to the provisions of I of 1872. this Act, apply to all proceedings before a court-martial.

Presumption  
as to signa-  
tures.

**89.** A court-martial may take judicial notice of any matter within the general military knowledge of the members.

**90.** In any proceeding under this Act, any application, certificate, warrant, reply or other document purporting to be signed by an officer in the civil or military service of the Government shall, on production, be presumed to have been duly signed by the person and in the character by whom and in which it purports to have been signed, until the contrary is shown.

Enrolment  
paper.

**91.** Any enrolment paper purporting to be signed by an enrolling officer shall, in proceedings under this Act, be evidence of the person enrolled having given the answers to questions which he is therein represented as having given, and of the enrolment of such person.

Reference  
by accused  
to Govern-  
ment officer.

**92.** (1) If at any trial for desertion, absence without leave, overstaying leave or not rejoining when warned for service, the person tried states in his defence any sufficient or reasonable excuse for his unauthorized absence, and refers in support thereof to any officer in the civil or military service of Government, or if it appears that any such officer is likely to prove or disprove the said statement in the defence, the court shall address such officer and adjourn until his reply is received.

(2) The written reply of any officer so referred to shall, if signed by him, be received in evidence and have the same effect as if made on oath before the court.

(3) If the court is dissolved before the receipt of such reply, or if the court omits to comply with the provisions of this section, the convening officer may, at his discretion annul the proceedings and order a fresh trial by the same or another court-martial.

Evidence of  
previous con-  
victions and  
general  
character.

**93.** (1) When any person subject to this Act has been convicted by a court-martial of any offence, such court-martial may inquire into, and receive and record evidence of, any previous convictions of such person, either by a court-martial or by a criminal court, and may further inquire into and record the general character of such person, and such other matters as may be prescribed.

(2) Evidence received under this section may be either oral, or in the shape of entries in, or certified extracts from, court-martial books or other official records; and it shall not be necessary to prove the signature to such certified extracts, nor shall it be necessary to give notice before trial to the person tried that evidence as to his previous convictions or character will be received.

(3) At a summary court-martial the officer holding the trial may, if he thinks fit, record any previous convictions against the offender, his general

character, and such other matters as may be prescribed, as of his own knowledge, instead of requiring them to be proved under the foregoing provisions of this section.

*Confirmation and Revision of Findings and Sentences.*

**94.** No finding or sentence of a general or district court-martial shall be valid except so far as it may be confirmed as provided by this Act.

Finding and sentence invalid without confirmation. Power to confirm finding and sentence of general court-martial.

**95.** The findings and sentences of general courts-martial may be confirmed by the Commander-in-Chief in India, or by any officer empowered in this behalf by warrant of the Commander-in-Chief in India.

**96.** The findings and sentences of district courts-martial may be confirmed by any officer having power to convene a general court-martial, or by any officer empowered in this behalf by warrant of any such officer.

Power to confirm finding and sentence of district court-martial.

**97.** A warrant issued under section 95 or section 96 may contain such restrictions, reservations or conditions as the officer issuing it may think fit.

Contents of warrant issued under section 95 or section 96.

**98.** (1) The finding and sentence of a summary general court-martial shall require to be confirmed by the convening officer—

Confirmation of finding and sentence.

- (a) in the case of the trial of an officer,
- (b) in the case of an acquittal or a sentence of death or transportation or imprisonment for a term exceeding two years, and
- (c) in any other case if so ordered by the said officer.

(2) Save as provided in sub-section (1), a sentence passed by a summary general court-martial shall not require to be confirmed, but may be carried out forthwith.

**99.** Subject to such restrictions as may be contained in any warrant issued under section 95 or section 96, a confirming officer may, when confirming the sentence of a court-martial, mitigate or remit the punishment there-by awarded, or commute that punishment for any less punishment or punishments to which the offender might have been sentenced by the court-martial ;

Power of confirming officer to mitigate, remit or commute sentences.

Provided that a sentence of transportation shall not be commuted for a sentence of imprisonment for a term exceeding the term of transportation awarded by the court.

**100.** (1) Any finding or sentence of a court-martial which requires confirmation may be once revised by order of the confirming officer ; and on such revision, the court, if so directed by him, may take additional evidence.

Revision of finding or sentence.

(2) The court, on revision, shall consist of the same officers as were present when the original decision was passed, unless any of those officers are unavoidably absent.

(3) In case of such unavoidable absence the cause thereof shall be duly certified in the proceedings, and the court shall proceed with the revision, provided that, if a general court-martial, it still consists of five officers, or if a district court-martial, of three officers.

Finding and sentence of a summary court-martial.

**101.** The finding and sentence of a summary court-martial shall not require to be confirmed, but may be carried out forthwith :

Provided that, if the officer holding the trial is of less than five years' service, he shall not, except on active service, carry into effect any sentence until it has received the approval of an officer commanding not less than a corps.

Transmission of proceedings of summary court-martial.

**102.** The proceedings of every summary court-martial shall without delay be forwarded to the officer commanding the division or brigade within which the trial was held, or to the prescribed officer ; and such officer, or the Commander-in-Chief in India, or the officer commanding the army in which the trial was held, may, for reasons based on the merits of the case, but not on any merely technical grounds, set aside the proceedings or reduce the sentence to any other sentence which the court might have passed.

Substitution of valid for invalid sentence.

**103.** Where a sentence passed by a court-martial which has been confirmed, or which does not require confirmation, is found for any reason to be invalid, the authority who would have had power under section 112 to commute the punishment awarded by the sentence if it had been valid may pass a valid sentence :

Provided that the punishment awarded by the sentence so passed shall not be higher in the scale of punishments than, or in excess of, the punishment awarded by the invalid sentence.

## CHAPTER IX.

### EXECUTION OF SENTENCES.

Form of sentence of death.

**104.** In awarding a sentence of death a court-martial shall, in its discretion, direct that the offender shall suffer death by being hanged by the neck until he be dead or shall suffer death by being shot to death.

Imprisonment to be in military custody.

**105.** Whenever any person is sentenced under this Act to simple imprisonment, such sentence shall be carried out by confinement in military custody.

Commencement of sentence of transportation or imprisonment.

**106.** Whenever any person is sentenced under this Act to transportation or imprisonment, the term of his sentence shall, whether it has been revised or not, be reckoned to commence on the day on which the original proceedings were signed by the president or, in the case of a summary court-martial, by the court.

**107.** Whenever any sentence of transportation or rigorous imprisonment is passed under this Act, or whenever any sentence so passed is commuted to transportation or to rigorous imprisonment, the commanding officer of the person under sentence, or such other officer as may be prescribed, shall forward a warrant in the prescribed form to the officer in charge of the civil prison in which such person is to be confined, and shall forward him to such prison with the warrant :

Execution of sentence of transportation or imprisonment.

Provided that, in the case of a sentence of rigorous imprisonment for a period not exceeding three months, the confirming officer, or, in the case of a sentence which does not require confirmation, the court may direct that the sentence shall be carried out by confinement in military custody.

**108.** Whenever, in the opinion of an officer commanding an army, division or independent brigade, any sentence or portion of a sentence of imprisonment cannot, for special reasons, conveniently be carried out in accordance with the provisions of section 105 or section 107, such officer may direct that such sentence or portion of sentence shall be carried out by confinement in any civil prison or other fit place.

Execution of sentence of imprisonment in special cases.

**109.** Whenever an order is duly made under this Act setting aside or varying any sentence, order or warrant under which any person is confined in a civil prison, a warrant in accordance with such order shall be forwarded by the prescribed officer to the officer in charge of the prison in which such person is confined.

Communication of certain orders to civil prison officers.

**110.** In executing a sentence of solitary confinement, such confinement shall in no case exceed fourteen days at a time, with intervals between the periods of solitary confinement of not less duration than such periods and, when the imprisonment awarded exceeds three months, the solitary confinement shall not exceed seven days in any one month of the whole imprisonment awarded, with intervals between the periods of solitary confinement of not less duration than such periods.

Limit of solitary confinement.

**111.** Whenever any person is sentenced under this Act by a court-martial to corporal punishment, such punishment shall be inflicted on the bare back with the regulation cat.

Instrument of corporal punishment.

## CHAPTER X.

### PARDONS AND REMISSIONS.

**112.** When any person subject to this Act has been convicted by a court-martial of any offence,—

Pardons and remissions.

- (a) the Governor General in Council, or
- (b) when the person has been convicted of any offence other than an offence punishable under section 41, the Commander-in-Chief in India or, in the case of a sentence which he could have confirmed or which did not require confirmation, the officer commanding the army, division or independent brigade in which such person, at the time of his conviction, was serving,



may—

- (1) pardon the person ;
- (2) mitigate or remit the punishment awarded, or commute such punishment for any less punishment or punishments to which he might have been sentenced by the court-martial ;
- (3) order the restoration to him of any service or other advantage forfeited under his sentence ; or
- (4) re-admit him to the service when he has been dismissed therefrom :

Provided that a sentence of transportation shall not be commuted for a sentence of imprisonment for a term exceeding the term of transportation awarded by the court.

## CHAPTER XI.

### RULES.

Power to  
make rules.

**113.** (1) The Governor General in Council may make <sup>1</sup>rules for the purpose of carrying into effect the provisions of this Act.

(2) In particular, and without prejudice to the generality of the foregoing power, such rules may provide for—

- (a) the discharge from the service of persons subject to this Act ;
- (b) the amount and incidence of fines to be imposed under section 21 ;
- (c) the assembly and procedure of courts of inquiry, and the administration of oaths or affirmations by such courts ;
- (d) the convening and constituting of courts-martial ;
- (e) the adjournment, dissolution and sittings of courts-martial ;
- (f) the procedure to be observed in trials by courts-martial ;
- (g) the confirmation and revision of the findings and sentences of courts-martial ;
- (h) the carrying into effect sentences of courts-martial ;
- (i) the forms of orders to be made under the provisions of this Act relating to courts-martial, transportation or imprisonment ; and
- (j) any matter in this Act directed to be prescribed.

(3) All rules made under this Act shall be published in the Gazette of India and, on such publication, shall have effect as if enacted in this Act.

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<sup>1</sup> For India Army rules under this section, see Gazette of India, 1911, Pt. I, p. 883, *ibid* 1912, Pt. I, p. 80, *ibid* 1913, Pt. I, p. 1353.

## CHAPTER XII.

## PROPERTY OF DECEASED PERSONS, DESERTERS AND LUNATICS.

**114.** The following rules are enacted respecting the disposal of the property of every person subject to this Act who dies or deserts :—

Property of  
deceased  
persons and  
deserters.

(1) The commanding officer shall secure all the moveable property that is on the spot, and cause an inventory thereof to be made, and draw any pay and allowances due to the deceased or deserter.

(2) In the case of a deceased person who has left in a Government savings bank (including any post office savings bank, however named) a deposit not exceeding one thousand rupees, the commanding officer may, if he thinks fit, require the secretary or other proper officer of the bank to pay the deposit to him forthwith, notwithstanding anything in any departmental rules; and after the payment thereof in accordance with such requisition, no person shall have any right in respect of the deposit except as hereinafter provided.

(3) In the case of a deceased person whose representative is on the spot and has given security for the payment of the regimental debts (if any) of the deceased, the commanding officer shall deliver over the property and the amount of the deposit (if any) received under clause (2) to that representative.

(4) In the case of a deceased person whose estate is not dealt with under clause (3), and in the case of any deserter, the commanding officer shall cause the property to be sold by public auction, and shall pay the regimental debts and other debts in camp or quarters (if any), and in the case of a deceased person the expenses of his funeral ceremonies, from the proceeds of the sale and the amount of the deposit (if any) received under clause (2).

(5) The surplus, if any, shall in the case of a deceased person be paid to his representative (if any), or in the event of no claim to such surplus being established within twelve months after the death, then the same shall be remitted to the prescribed person.

(6) In the case of the sale of the effects of a deserter, the amount remaining in the hands of the commanding officer shall be forthwith remitted to the prescribed person.

*Explanation.*—A person shall be deemed to be a deserter within the meaning of this section who has been convicted of desertion, or who has without authority been absent from duty for a period of sixty days and has not subsequently surrendered or been apprehended.

Meaning of  
desertion.

**115.** Property deliverable and money payable to the representative of a deceased person under section 114 may, if the total value or amount thereof does not exceed one thousand rupees, and if the prescribed person thinks fit, be delivered or paid to any person appearing to him to be entitled to receive it or to administer the estate of the deceased, without requiring the production of any probate, letters of administration, certificate or other such conclusive evidence of title; and such delivery or payment shall be a full discharge to those ordering or making the same, and to the Secretary of State for India in

Disposal of  
certain pro-  
perty without  
production of  
probate, etc.

Council from all further liability in respect of the property or money ; but nothing in this section shall affect the rights of any executor or administrator or other representative, or of any creditor, of a deceased person, against any person to whom such delivery or payment has been made.

Application  
of section 114  
to lunatics.

**116.** The provisions of section 114 shall, so far as they can be made applicable, apply in the case of a person subject to this Act becoming insane.

## CHAPTER XIII.

### MISCELLANEOUS.

#### *Military Privileges.*

Complaints  
against  
officers.

**117.** (1) Any person subject to this Act who deems himself wronged by any superior or other officer, may, if not attached to a troop or company, complain to the officer under whose command or orders he is serving ; and may, if attached to a troop or company, complain to the officer commanding the same.

(2) When the officer complained against is the officer to whom any complaint should, under sub-section (1), be preferred, the aggrieved person may, complain to such officer's next superior officer.

(3) Every officer receiving any such complaint shall examine into it, and when necessary, refer it to superior authority.

(4) Every such complaint shall be preferred through such channels as may be from time to time specified by proper authority.

Privileges of  
persons  
attending  
courts-  
martial.

**118.** (1) No president or member of a court-martial, no judge advocate or superintending officer, no party to any proceeding before a court-martial, or his legal practitioner or agent, and no witness acting in obedience to a summons to attend a court-martial, shall, while proceeding to, attending on or returning from, a court-martial, be liable to arrest under civil or revenue process.

(2) If any such person is arrested under any such process, he may be discharged by order of the court-martial.

Exemption  
from arrest  
for debt.

**119.** (1) No person subject to this Act shall, so long as he belongs to His Majesty's Indian forces, be liable to be arrested for debt under any process issued by, or by the authority of, any civil or revenue court or revenue-officer.

(2) The judge of any such court may examine into any complaint made by such person or his superior officer of the arrest of such person contrary to the provisions of this section, and may, by warrant under his hand, discharge the person, and award reasonable costs to the complainant, who may recover those costs in like manner as he might have recovered costs awarded to him by a decree against the person obtaining the process.

(3) For the recovery of such cost no fee shall be payable to the court by the complainant.

• **120.** Neither the arms, clothes, equipment, accoutrements or necessities of any person subject to this Act, nor any animal used by him for the discharge of his duty, shall be seized, nor shall the pay and allowances of any such person or any part thereof be attached, by direction of any civil or revenue court or any revenue-officer, in satisfaction of any decree or order enforceable against him. Property exempted from attachment.

**121.** Every person belonging to the Indian Reserve Forces shall, when called out for, or engaged upon, or returning from, training or service, be entitled to all the privileges accorded by sections 119 and 120 to a person subject to this Act. Application of the last two foregoing sections to reservists. Priority of hearing by courts of cases in which Native officers and soldiers are concerned.

**122.** (1) On the presentation to any court by or on behalf of any person subject to this Act of a certificate, from the proper military authority, of leave of absence having been granted to, or applied for, by him for the purpose of prosecuting or defending any suit or other proceeding in such court, the court shall, on the application of such person, arrange, so far as may be possible, for the hearing and final disposal of such suit or other proceeding within the period of the leave so granted or applied for.

(2) The certificate from the proper military authority shall state the first and last day of the leave or intended leave, and set forth a description of the case with respect to which the leave was granted or applied for.

(3) No fee shall be payable to the court in respect of the presentation of any such certificate, or in respect of any application by, or on behalf of, any such person for priority for the hearing of his case.

(4) Where the court is unable to arrange for the hearing and final disposal of the suit or other proceeding within the period of such leave or intended leave as aforesaid, it shall record its reasons for having been unable to do so, and shall cause a copy thereof to be furnished to such person on his application without any payment whatever by him in respect either of the application for such copy or of the copy itself.

(5) If in any case a question arises as to the proper military authority qualified to grant such certificate as aforesaid, such question shall be at once referred by the court to an officer commanding a corps, whose decision shall be final.

#### *Deserters and Military Offenders.*

**123.** (1) Whenever any person subject to this Act deserts, the commanding officer of the corps, department or detachment to which he belongs shall give written information of the desertion to such civil authorities as, in his opinion, may be able to afford assistance towards the capture of the deserter; and such authorities shall thereupon take steps for the apprehension of the said deserter in like manner as if he Capture of deserters.

were a person for whose apprehension a warrant had been issued by a magistrate, and shall deliver the deserter, when apprehended, to military custody.

(2) Any police-officer may arrest without warrant any person reasonably believed to be subject to this Act and to be travelling without authority, and shall bring him without delay before the nearest magistrate, to be dealt with according to law.

Arrest by  
military  
authorities.

**124.** (1) Any person subject to this Act who is charged with an offence may be taken into military custody.

(2) Any such person may be ordered into military custody by any superior officer.

(3) The charge against every person taken into military custody shall, without unnecessary delay, be investigated by the proper military authority, and, as soon as may be, either proceedings shall be taken for punishing the offence, or such person shall be discharged from custody.

Arrest by  
civil autho-  
rities.

**125.** Whenever any person subject to this Act, who is accused of any offence under this Act, is within the jurisdiction of any magistrate or police-officer, such magistrate or officer shall aid in the apprehension and delivery to military custody of such person upon receipt of a written application to that effect signed by his commanding officer.

Inquiry on  
absence of  
person  
subject  
to Act.

**126.** (1) When any person subject to this Act has been absent without due authority from his duty for a period of sixty days, a court of inquiry shall, as soon as practicable, be assembled and, upon oath or affirmation administered in the prescribed manner, shall inquire respecting the absence of the person, and the deficiency, if any, of property of the Government entrusted to his care, or of his arms, ammunition, equipments, instruments, clothing or necessities; and, if satisfied of the fact of such absence without due authority or other sufficient cause, the court shall declare such absence and the period thereof, and the said deficiency, if any; and the commanding officer of the corps or department to which the person belongs shall enter in the court-martial book of the corps or department a record of the declaration.

(2) If the person declared absent does not afterwards surrender, or is not apprehended, he shall, for the purposes of this Act, be deemed to be a deserter.

(3) If the person declared absent surrenders or is apprehended, the record or a copy thereof, purporting to bear the signature of the officer having the custody of the court-martial book, shall, on the trial of the person for desertion, be presumptive evidence of the facts therein recorded.

#### *Repeal.*

Repeal.

**127.** The enactments mentioned in the Schedule are hereby repealed to the extent specified in the fourth column thereof:

Provided that all warrants issued and persons enrolled or attested under the provisions of any of the said enactments shall be deemed to have been respectively issued, enrolled or attested under this Act.

## THE SCHEDULE.

## REPEAL OF ENACTMENTS.

(See section 127.)

1	2	3	4
Year.	No.	Short title.	Extent of repeal.
1869	V	The Indian Articles of War. . . .	The whole.
1875	V	The Unattested Sepoys Act, 1875 . .	Ditto.
1891	XII	The Amending Act, 1891 . . . .	So much of section 2, sub-section (2), and the Second Schedule as relates to the Indian Articles of War.
1894	XII	The Indian Articles of War Amendment Act, 1894.	The whole.
1897	XIV	The Indian Short Titles Act, 1897 . .	So much of section 2 and the Schedule as relates to Act V of 1875.
1900	I	The Indian Articles of War Amendment Act, 1900.	The whole.
1901	IX	The Indian Articles of War Amendment Act, 1901.	Ditto.
1904	XIII	The Indian Articles of War Amendment Act, 1904.	Ditto.
1905	V	The Indian Articles of War Amendment Act, 1905.	Ditto.

ACT No. IX OF 1911.<sup>1</sup>

[16th March, 1911.]

An Act further to amend the Births, Deaths and Marriages Registration Act, 1886.

WHEREAS it is expedient further to amend the <sup>2</sup>Births, Deaths and Marriages Registration Act, 1886; It is hereby enacted as follows:—

1. This Act may be called the Births, Deaths and Marriages Registration Short title. (Amendment) Act, 1911.

<sup>1</sup> For Statement of Objects and Reasons, see Gazette of India, 1911, Pt. V, p. 86; and for Proceedings in Council, see *ibid*, 1911, Pt. VI, pp. 185 and 362.

<sup>2</sup> Genl. Acts, Vol. III.

Amendment  
of section 22  
of Act VI of  
1886.

**2.** In section 22 of the <sup>1</sup>Births, Deaths and Marriages Registration Act, VI of 1886, the following amendments shall be made, namely :—

(1) To sub-section (1) of the said section the following proviso shall be added, namely :—

“ Provided that it shall not be necessary for the person giving notice to attend before the Registrar or to sign the entry in the register, if he has given such notice in writing and has furnished to the satisfaction of the Registrar such evidence of his identity as may be required by any rules made by the Local Government in this behalf.”

(2) In sub-section (2) of the said section, after the word “ signed ” the words “ or the conditions specified in the proviso to sub-section (1) have been complied with ” shall be inserted.

Amendment  
of sections  
26 and 28.

**3.** In section 26 and in section 28 of the said Act, for the words “ Governor General in Council ” the words “ Local Government ” shall be substituted.

Substitution  
of new  
section 36.  
Rules.

**4.** For section 36 of the said Act the following section shall be substituted, namely :—

“ 36. (1) The Local Government may make rules to carry out the purposes of this Act ;

(2) In particular and without prejudice to the generality of the foregoing power, such rules may—

- (a) fix the fees payable under this Act ;
- (b) prescribe the forms required for the purposes of this Act ;
- (c) prescribe the time within which, and the mode in which, persons authorized under this Act to give notice of a birth or death to a Registrar of Births and Deaths must give the notice ;
- (d) prescribe the evidence of identity to be furnished to a Registrar of Births and Deaths by persons giving notice of a birth or death in cases where personal attendance before such Registrar is dispensed with ;
- (e) prescribe the registers to be kept and the form and manner in which Registrars of Births and Deaths are to register births and deaths under this Act, and the intervals at which they are to send to the Registrar General of Births, Deaths and Marriages true copies of the entries of births and deaths in the registers kept by them ;
- (f) prescribe the conditions and circumstances on and in which Registrars of Births and Deaths may correct entries of births and deaths in registers kept by them ;
- (g) prescribe the particulars which the descriptive list or lists to be prepared by the Commissioners appointed under Chapter V are to contain, and the manner in which they are to refer to the registers

or records, or portions of registers or records, to which they relate ;  
and

(h) prescribe the custody in which those registers or records are to be kept.

(3) Every power to make rules conferred by this Act is subject to the condition of the rules being made after previous publication.

(4) All rules made under this Act shall be published in the local official Gazette, and on such publication shall have effect as if enacted in this Act."

5. Section 37 of the said Act is hereby repealed.

Repeal of  
section 37.

6. All rules heretofore made under the said Act by the Governor General in Council shall, after the commencement of this Act, be deemed to have been made by the Local Government.

Continuation  
of rules heretofore made  
by Governor General in  
Council.

# ACT No. X OF 1911.<sup>1</sup>

[22nd March, 1911.]

An Act to consolidate and amend the law relating to the prevention of public meetings likely to promote sedition or to cause a disturbance of public tranquillity.

WHEREAS it is expedient to consolidate and amend the law relating to the prevention of public meetings likely to promote sedition or to cause a disturbance of public tranquillity ; It is hereby enacted as follows :—

1. (1) This Act may be called the Prevention of Seditious Meetings Act, 1911.

Short title  
and extent.

(2) It extends to the whole of British India, but shall have operation only in such Provinces or parts of Provinces as the Governor General in Council may from time to time notify in the Gazette of India.

2. (1) The Local Government may, with the previous sanction of the Governor General in Council, by notification in the local official Gazette, declare the whole or any part of a Province, in which this Act is for the time being in operation, to be a proclaimed area.

Power of  
Local Government to  
notify proclaimed areas.

(2) A notification made under sub-section (1) shall not remain in force for more than six months, but nothing in this sub-section shall be deemed to prevent the Local Government, with the previous sanction of the Governor General in Council, from making any further notifications in respect of the same area from time to time as it may think fit.

3. (1) In this Act, the expression "public meeting" means a meeting which is open to the public or any class or portion of the public.

Definition.

<sup>1</sup> For Statement of Objects and Reasons, see Gazette of India, 1911, Pt. V, p. 100 ; for Report of Select Committee, see *ibid*, 1911, Pt. V, p. 100 ; and for Proceedings in Council, see *ibid*, 1911, Pt. VI, pp. 362 and 452.



(2) A meeting may be a public meeting notwithstanding that it is held in a private place and notwithstanding that admission thereto may have been restricted by ticket or otherwise.

Notice to be given of public meetings.

**4.** (1) No public meeting for the furtherance or discussion of any subject likely to cause disturbance or public excitement, or for the exhibition or distribution of any writing or printed matter relating to any such subject, shall be held in any proclaimed area—

(a) unless written notice of the intention to hold such meeting and of the time and place of such meeting has been given to the District Magistrate or the Commissioner of Police, as the case may be, at least three days previously; or

(b) unless permission to hold such meeting has been obtained in writing from the District Magistrate or the Commissioner of Police, as the case may be.

Power of Magistrate to cause report to be taken.

(2) The District Magistrate or any Magistrate of the first class authorized by the District Magistrate in this behalf may, by order in writing, depute one or more Police-officers, not being below the rank of head constable, or other persons, to attend any such meeting for the purpose of causing a report to be taken of the proceedings.

Exception.

(3) Nothing in this section shall apply to any public meeting held under any statutory or other express legal authority, or to public meetings convened by a sheriff, or to any public meetings or class of public meetings exempted for that purpose by the Local Government by general or special order.

Power to prohibit public meetings.

**5.** The District Magistrate or the Commissioner of Police, as the case may be, may at any time, by order in writing, of which public notice shall forthwith be given, prohibit any public meeting in a proclaimed area if, in his opinion, such meeting is likely to promote sedition or disaffection or to cause a disturbance of the public tranquillity.

Penalties.

**6.** (1) Any person concerned in the promotion or conduct of a public meeting held in a proclaimed area contrary to the provisions of section 4 shall be punished with imprisonment for a term which may extend to six months, or with fine, or with both.

(2) Any public meeting which has been prohibited under section 5 shall be deemed to be an unlawful assembly within the meaning of Chapter VIII of the <sup>1</sup>Indian Penal Code and of Chapter IX of the <sup>2</sup>Code of Criminal Procedure, 1898.

Penalty for delivery of speeches in public places.

**7.** Whoever, in a proclaimed area, in a public place or a place of public resort, otherwise than at a public meeting held in accordance with, or exempted from, the provisions of section 4, without the permission in writing of the Magistrate of the District or of the Commissioner of Police, as the case may be, previously obtained, delivers any lecture, address or speech on any subject likely to cause disturbance or public excitement to persons then present,

XLV of  
1860.  
V of 1898.

<sup>1</sup> Genl. Acts, Vol. I.

<sup>2</sup> Genl. Acts, Vol. V.

**1911: Act X.]** *Prevention of Seditious Meetings.*

175

**1911: Act XI.]** *Universities.*

**1911: Act XII.]** *Factories.*

may be arrested without warrant, and shall be punished with imprisonment for a term which may extend to six months, or with fine, or with both.

**8.** No Court inferior to that of a Presidency Magistrate or of a Magistrate of the first class or Sub-divisional Magistrate shall try any offence against this Act. Cognizance of offences.

VI of 1907.  
XVII of  
1910.

**9.** The Prevention of Seditious Meetings Act, 1907, and the Continuing Repeals Act, 1910, are hereby repealed.

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ACT No. XI of 1911.<sup>1</sup>

[23rd March, 1911.]

An Act to amend the Indian Universities Act, 1904.

VIII of  
1904.

WHEREAS it is expedient to amend the <sup>2</sup>Indian Universities Act, 1904; It is hereby enacted as follows :—

**1.** This Act may be called the Indian Universities (Amendment) Act, Short title. 1911.

**2.** To section 6, sub-section (2), of the said Act, the following proviso shall be added, namely :— Amendment of section 6, Act VIII of 1904.

“ Provided that, in the case of the University of Allahabad, the Chancellor may direct that such number as he may specify of the ordinary fellows referred to in clause (a) shall be elected by the Senate, and the remainder by registered Graduates.”

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## THE INDIAN FACTORIES ACT, 1911 (XII OF 1911).

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### CONTENTS.

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### CHAPTER I.

### PRELIMINARY.

### SECTIONS.

1. Short title, commencement and extent.
2. Definitions.
3. Application of Act.

---

<sup>1</sup> For Statement of Objects and Reasons, see Gazette of India, 1911, Pt. V, p. 87; and for Proceedings in Council, see *ibid*, 1911, Pt. VI, pp. 185 and 501.

<sup>2</sup> Genl. Acts, Vol. VI.

## CHAPTER II.

## INSPECTORS AND CERTIFYING SURGEONS.

## SECTIONS.

4. Inspectors.
  5. Powers of Inspector.
  6. Certifying Surgeons.
  7. Grant of certificate.
  8. Delegation of certifying surgeon's functions.
- 

## CHAPTER III.

## HEALTH AND SAFETY.

9. Sanitary provisions.
  10. Provision as to ventilation by fans in certain factories.
  11. Lighting.
  12. Purity of water used for humidifying.
  13. Provision of latrines and urinal accommodation.
  14. Water-supply.
  15. Doors of factory to open outwards.
  16. Provision of means of escape in case of fire.
  17. Precautions against fire.
  18. Fencing.
  19. Prohibition of employment of women and children in certain dangerous work.
  20. Prohibition of employment of women and children where cotton-openers are at work.
- 

## CHAPTER IV.

## HOURS OF EMPLOYMENT AND HOLIDAYS.

21. Periodical stoppage of work.
22. Weekly holiday.
23. Employment of children.
24. Employment of women.
25. Prohibition of employment of woman or child in two factories on same day.
26. Hours of employment of women and children to be fixed.
27. Exception to provisions relating to employment of women.

## CHAPTER V.

### SPECIAL PROVISIONS FOR TEXTILE FACTORIES.

#### SECTIONS.

28. Limitation of hours of work.
29. Limits between which a person may be employed.
30. Exceptions from sections 28 and 29.
31. Limit of use of machinery.
32. Limitation of hours of children.

---

## CHAPTER VI.

### NOTICES AND REGISTERS.

33. Person occupying factory to give notice.
34. Notice to be given of accident.
35. Register of children.
36. Affixing of abstract and notices.

---

## CHAPTER VII.

### RULES.

37. Power to make rules.
38. Returns.
39. Prior publication of rules.
40. Commencement of rules.

## CHAPTER VIII.

### PENALTIES AND PROCEDURE.

41. Penalties.
42. Exemption of occupier or manager from liability in certain cases.
43. Penalties for certain offences.
44. Using false certificate.
45. Limit to penalty in case of repetition of offence.
46. Presumption as to employment.
47. Evidence as to age.
48. Cognizance of offences.
49. Limitation of prosecutions.

## CHAPTER IX.

## SUPPLEMENTAL PROVISIONS.

## SECTIONS.

50. Appeals.
51. Special provision regarding computation of time.
52. Computation of hours of employment.
53. Power to declare parts of a factory to be separate factories.
54. Application to Crown factories.
55. Special provision for Burma for employment on Sunday.
56. Power to exempt from Act.
57. Exercise of powers by Governor General in Council.
58. Protection to persons acting under Act.
59. Repeal and savings.

## SCHEDULES.

ACT NO. XII OF 1911.<sup>1</sup>

[24th March, 1911.]

An Act to consolidate and amend the law regulating labour in factories.

WHEREAS it is expedient to consolidate and amend the law regulating labour in factories; It is hereby enacted as follows:—

## CHAPTER I.

## PRELIMINARY.

Short title,  
commence-  
ment and  
extent.

1. (1) This Act may be called the Indian Factories Act, 1911.
- (2) It shall come into force on the first day of July 1912; and
- (3) It extends to the whole of British India, including British Baluchistan and the Sonthal Parganas.

Definitions.

2. In this Act, unless there is anything repugnant in the subject or context,—

“Child.”

- (1) “child” means a person who is under the age of fourteen years:

“Employed.”

- (2) a person who works in a factory, whether for wages or not,—
- (a) in a manufacturing process or handicraft, or

<sup>1</sup> For Statement of Objects and Reasons, see Gazette of India, 1909, Pt. V, p. 61, for Report of Select Committee, see *ibid*, 1911, Pt. V, p. 63; and for Proceedings in Council, see *ibid*, 1909, Pt. VI, p. 141, and *ibid*, 1911, Pt. VI, pp. 12, 103, 183 and 501.

- (b) in cleaning any part of the factory used for any manufacturing process or handicraft, or
- (c) in cleaning or oiling any part of the machinery, or
- (d) in any other kind of work whatsoever, incidental to, or connected with the manufacturing process or handicraft, or connected with the article made or otherwise the subject of the manufacturing process or handicraft therein,

shall be deemed to be employed therein :

*Explanation.*—The term “manufacturing process” shall be deemed to include the baling of any material for transport :

(3) “factory” means any premises wherein, or within the precincts of “Factory.” which, steam, water or other mechanical power or electrical power is used in aid of any process for, or incidental to, making, altering, repairing, ornamenting, finishing or otherwise adapting for use, for transport or for sale any article or part of an article :

(4) “inspector” includes an additional inspector :

“Inspector.”

(5) “mill-gearing” includes every shaft, whether upright, oblique or horizontal, and every wheel, drum, pulley, rope, chain, wire, driving strap or band by which the motion of the first moving power is communicated to any machine appertaining to any manufacturing process :

“Mill-gearing.”

(6) “occupier” includes a managing agent or other person authorised to “Occupier.” represent the occupier :

(7) “prescribed” means prescribed by this Act or by rules made there- “Pre-scribed.” under :

(8) “system of shifts” means a system of relays in which the time of the beginning and ending of the period or periods of the employment of each person is fixed for each relay :

“System of shifts.”

(9) “textile factory” means a factory wherein is carried on any process for, or incidental to, making, altering, repairing, ornamenting, finishing or otherwise adapting for use, for transport or for sale cotton, wool, hair, silk, flax, hemp, jute, tow, china-grass, cocoanut fibre or other like material, either separately or mixed together or mixed with any other material, or any fabric made thereof :

“Textile factory.”

Provided that the term “textile factory” shall not be deemed to include the following factories, namely :—cloth-printing works, bleaching and dyeing works, lace warehouses, paper mills, flax scutch mills, silk filatures, factories for ginning cotton, decorticating fibre, pressing cotton, jute or other fibre, rope works and hat works.

3. (1) Nothing in the following Chapters shall apply to—

Applica-  
tion of  
Act.

VIII of 1901.

- (a) any mine subject to the operation of the <sup>1</sup>Indian Mines Act, 1901,  
or
- (b) any electrical generating or transforming station, or

<sup>1</sup> Genl. Acts, Vol. V.

- (c) any indigo factory, or
- (d) any factory situated on and used solely for the purposes of a tea or coffee plantation, or
- (e) any factory wherein on no day in the year are more than forty-nine persons simultaneously employed :

Provided that the Local Government may, subject to the control of the Governor General in Council, by notification in the local official Gazette, apply to any factory or class of factories, wherein any specified number of persons not being less than twenty are on any day simultaneously employed, all or any of the provisions of this Act which would, save for clause (e) of this sub-section have applied.

The provisions of Chapters IV and V and sections 35 and 36 shall not, unless the Local Government by order in writing otherwise directs, apply to any person employed solely in any place within the precincts of a factory, not being a cotton reeling-room or winding-room in which place no steam, water or other mechanical power or electrical power is used in aid of the manufacturing process carried on in such factory, or in which such power is used solely for the purpose of moving or working any appliances in connection with the bringing or taking of any goods into or out of the factory.

## CHAPTER II.

### INSPECTORS AND CERTIFYING SURGEONS.

#### Inspectors.

4. (1) The Local Government may, by notification in the local official Gazette, appoint such persons as it thinks fit to be inspectors of factories within such local limits as it may assign to them respectively.

(2) No person shall be appointed to be an inspector under sub-section (1), or having been so appointed, shall continue to hold the office of inspector, who is or becomes directly or indirectly interested in a factory or in any process or business carried on therein or in any patent or machinery connected therewith.

(3) The District Magistrate shall be an inspector under this Act.

(4) The Local Government may also, by notification as aforesaid, and subject to the control of the Governor General in Council, appoint such

<sup>1</sup> For notification by the Government of Burma applying certain sections of the Act to all factories employing not less than 20 persons, see *Burma Gazette*, 1912, Pt. I, p. 410.

For notification by the Government of Madras applying the Act to certain factories, see *Fort St. George Gazette*, 1913, Pt. I, p., 17-9.

<sup>2</sup> For rules by the Government of Madras appointing the Commissioner of Police to be an additional Inspector for Madras City, see *Gazette of India*, 1912, Pt. I, p. 778. For appointments of additional inspectors in the Province of Delhi, see *Gazette of India*, 1913, Pt. II, p. 199.

public officers as it thinks fit to be <sup>2</sup>additional inspectors for all or any of the purposes of this Act within such local limits as it may assign to them respectively.

(5) In any area where there are more inspectors than one, the Local Government may, by notification as aforesaid, declare the powers which such inspectors shall respectively exercise, and the inspector to whom the prescribed notices are to be sent.

(6) Every inspector shall be deemed to be a public servant within the meaning of the <sup>1</sup>Indian Penal Code, and shall be officially subordinate to such authority as the Local Government may indicate in this behalf.

5. Subject to any rules in this behalf, an inspector may, within the local limits for which he is appointed,— Powers of inspectors.

- (a) enter, with such assistants (if any) as he thinks fit, any place which is, or which he has reason to believe to be, used as a factory :
- (b) make such examination of the premises and machinery and of any prescribed registers, and take on the spot or otherwise such evidence of any persons as he may deem necessary for carrying out the purposes of this Act ; and
- (c) exercise such other powers as may be necessary for carrying out the purposes of this Act :

Provided that no one shall be required under this section to answer any question or give any evidence tending to criminate himself.

6. The Local Government may appoint such qualified medical practitioners as it thinks fit to be certifying surgeons for the purposes of this Act within such local limits as it may assign to them respectively. Certifying surgeons.

7. (1) A certifying surgeon shall, at the request of any person desirous of being employed in a factory situated within the local limits for which he is appointed, or of the parent or guardian of such person, or of the manager of the factory in which such person desirous to be employed, examine such person and grant him a certificate in the prescribed form, stating his age, as nearly as as it can be ascertained from such examination, and whether he is fit for employment in a factory. Grant of certificate.

(2) Where a certifying surgeon refuses to certify that a person is fit for employment in a factory, he shall, if required by such person, or his parent or guardian, or the manager of the factory in which such person desires to be employed, state in writing his reasons for such refusal.

8. A certifying surgeon may authorize any person practising medicine or surgery to exercise the functions assigned to him by section 7, and may revoke such authority : Delegation of certifying surgeon's functions.



Provided that no certificate granted under this section shall, unless confirmed, on personal examination of the person named therein, by the certifying surgeon who conferred the authority, be valid after the first date subsequent to the grant thereof on which such certifying surgeon visits the factory in which the person named therein is employed.

### CHAPTER III.

#### HEALTH AND SAFETY.

##### Sanitary provisions.

9. The following provisions shall apply to every factory :—

- (a) it shall be kept clean, and free from effluvia arising from any drain, privy or other nuisance ;
- (b) it shall not be so overcrowded while work is carried on therein as to be dangerous or injurious to the health of the persons employed therein ;
- (c) it shall be ventilated in such a manner as to render harmless, as far as practicable, any gases, vapours, dust or other impurities generated in the course of the work carried on therein that may be injurious to health.

##### Provision as to ventilation by fans in certain factories.

10. If in a factory, in which any process is carried on by which dust or other impurity is generated and inhaled by the workers to an injurious extent it appears to the inspector that such inhalation could be to a great extent prevented by the use of a fan or other mechanical means, the inspector may serve on the manager of the factory an order in writing, directing that a fan or other mechanical means of a proper construction for preventing such inhalation be provided, maintained and used before a specified date.

##### Lighting.

11. (1) Every factory shall be sufficiently lighted.

(2) In the case of any factory which is not in the opinion of the inspector so lighted, the inspector may serve on the manager of the factory an order in writing, specifying the measures which he considers necessary for the attainment of a sufficient standard of lighting, and requiring him to carry them out before a specified date.

##### Purity of water used for humidifying.

12. (1) In any factory in which humidity of the atmosphere is produced by artificial means, the water used for the purpose of producing humidity shall be taken either from a public supply of drinking water or from some other source of water ordinarily used for drinking, or shall be effectively purified before being used for the purpose of producing humidity.

(2) In the case of any factory in which any water required under subsection (1) to be effectively purified is not in the opinion of the inspector so purified, the inspector may serve on the manager of the factory an order in

writing specifying the measures which he considers necessary for effectively purifying the water and requiring him to carry them out before a specified date.

**13.** Every factory shall be provided with sufficient and suitable latrine accommodation, and if the Local Government so requires, with separate urinal accommodation for the persons employed in the factory :

Provision of latrines and urinal accommodation.

Provided that the inspector may, subject to such conditions as the Local Government may lay down in this behalf, by an order in writing exempt any factory from the provisions of this section.

**14.** In every factory there shall be maintained a sufficient and suitable supply of water fit for drinking for the use of the persons employed in the factory.

Water supply.

**15.** In every factory, the construction of which is commenced after the commencement of this Act, the doors of each room in which more than thirty persons are employed shall, except in the case of sliding doors, be constructed so as to open outwards.

Doors of factory to open outwards.

**16.** (1) Every factory shall be provided with such means of escape in case of fire for the persons employed therein as can reasonably be required in the circumstances of each case.

Provision of means for escape in case of fire.

(2) In the case of any factory which is not in the opinion of the inspector so provided, the inspector may serve on the manager of the factory an order in writing, specifying the measures which he considers necessary for providing such means of escape, and requiring him to carry them out before a specified date.

**17.** No person shall smoke, or use a naked light or cause or permit any such light to be used, in the immediate vicinity of any inflammable material in any factory.

Precautions against fire.

**18.** (1) (a) Every fly-wheel directly connected with a steam-engine, water-wheel or other mechanical power or electrical power in any part of the factory and every part of any water-wheel or engine worked by any such power,

Fencing.

(b) every hoist or teagle and every hoist-well, trap-door or other similar opening near which any person is liable to pass or be employed, and

(c) every part of the machinery which the Local Government may by rule require to be kept fenced, shall be securely fenced.

(2) If in any factory there is any other part of the machinery or mill-gearing which may in the opinion of the inspector be dangerous if left unfenced, the inspector may serve on the manager of the factory an order in writing, specifying the measures which he considers necessary for fencing such part in order to remove the danger, and requiring him to carry them out before a specified date.

(3) All fencing must be constantly maintained in an efficient state while the parts required to be fenced are in motion or use, except where they are

under repair or are under examination in connection with repair or are necessarily exposed for the purpose of cleaning or lubricating or for altering the gearing or arrangements of the parts of the machinery.

(4) Such provision as may be prescribed shall be made for the protection from danger of persons employed in attending to the machinery or boilers of any factory.

Prohibition of employment of women and children in certain dangerous work.

Prohibition of employment of women and children where cotton openers are at work.

**19.** No woman or child shall be allowed to clean any part of the mill-gearing or machinery of a factory while the same is in motion by the action of steam, water or other mechanical power or electrical power, as the case may be, or to work between the fixed and traversing parts of any self-acting machine while such machine is in motion by the action of any power above described.

**20.** No woman or child shall be employed in the part of a factory for pressing cotton in which a cotton-opener is at work :

Provided that, if the feed-end of a cotton-opener is in a room separated from the delivery-end by partition extending from the floor to the roof, women and children may be employed in the room in which the feed-end is situated.

## CHAPTER IV.

### HOURS OF EMPLOYMENT AND HOLIDAYS.

Periodical stoppage of work.

**21.** (1) In every factory there shall be fixed for each working day, at intervals not exceeding six hours, periods of not less than half an hour, during which all work shall be discontinued.

(2) Nothing in sub-section (1) shall apply to —

- (a) any work performed by any person while employed in accordance with a system of shifts approved by the inspector, or
- (b) the work of sizing, calendering, finishing, sewing or tailoring in textile factories, or in cloth-printing works, or in bleaching or dyeing works, or
- (c) work on urgent repairs executed in railway or tramway workshops or running sheds, or in engineering works or ship-repairing works, or
- (d) any work mentioned in Part A or in Part B of Schedule I, or
- (e) the factories mentioned in Part C of the said Schedule.

(3) Where it is proved to the satisfaction of the Local Government—

- (a) that any class of work not specified in Part A of Schedule I is of an urgent nature or is such as in the interests of efficiency is commonly performed while the main manufacturing process of the factory is discontinued, or
- (b) that there is in any class of factories not specified in Part B of the said Schedule any work which necessitates continuous production for technical reasons, or

(c) that any class of factories not specified in Part C of the said Schedule requires, by reason of the exigencies or special circumstances of the trade carried on therein, an uninterrupted working day, the Local Government may, subject to the control of the Governor General in Council, by notification in the local official Gazette, exempt,—

in case (a), such class of work,

in case (b), work of the nature described in such class of factories,

in case (c), such class of factories,

from the provisions of sub-section (1) on such conditions, if any, as it may impose.

**22.** (1) No person shall be employed in any factory on a Sunday, <sup>Weekly holiday.</sup> unless—

(a) he has had, or will have, a holiday for a whole day on one of the three days immediately preceding or succeeding the Sunday, and

(b) the manager of the factory has previous to the Sunday or the substituted day, whichever is earlier, given notice to the inspector of his intention so to employ the said person and of the day which is to be substituted and has at the same time affixed a notice to the same effect in the place mentioned in section 36.

(2) Nothing in sub-section (1) shall apply to work on urgent repairs executed in railway or tramway workshops or running sheds or in engineering works or ship-repairing works.

(3) Nothing in sub-section (1) shall apply to any person employed on any work specified in Part A of Schedule I or in Part A of Schedule II or to any factory specified in Part B of Schedule II.

(4) Where it is proved to the satisfaction of the Local Government—

(a) that any class of work not specified in Part A of Schedule I is of an urgent nature or is such as in the interests of efficiency is commonly performed while the main manufacturing process of the factory is discontinued, or

(b) that there is in any class of factories not specified in Part A of Schedule II any work which necessitates continuous production for technical reasons, or

(c) that any class of factories not specified in Part B of Schedule II supplies the public with articles of prime necessity which must be made or supplied every day, or

(d) that in any class of factories the work performed, by the exigencies of the trade or by its nature, cannot be carried on except at stated seasons, or at times dependent on the irregular action of natural forces,

the Local Government may, subject to the control of the Governor General in Council, by notification in the local official Gazette, <sup>1</sup>exempt,—

- in case (a), such class of work,
- in case (b), work of the nature described in such class of factories, and
- in cases (c) and (d), such class of factories,

from the provisions of sub-section (1), on such conditions, if any, as it may impose.

Employment  
of children.

**23.** With respect to the employment of children in factories the following provisions shall apply :—

- (a) no child shall be employed in any factory unless he is in possession of a certificate granted under section 7 or section 8 showing that he is not less than nine years of age and is fit for employment in a factory and while at work carries either the certificate itself or a token giving reference to such certificate ;
- (b) no child shall be employed in any factory before half-past five o'clock in the morning or after seven o'clock in the evening ;
- (c) no child shall be employed in any factory for more than seven hours in any one day.

Employment  
of women.

**24.** With respect to the employment of women in factories the following provisions shall apply :—

- (a) no woman shall be employed in any factory before half-past five o'clock in the morning or after seven o'clock in the evening ;
- (b) no woman shall be employed in any factory for more than eleven hours in any one day.

Prohibition  
of employ-  
ment of  
woman or  
child in two  
factories on  
same day.  
Hours of  
employment  
of women  
and children  
to be fixed.  
Exception to  
provisions  
relating to  
employment  
of women.

**25.** No person shall employ, or permit to be employed, in any factory any woman or child whom he knows, or has reason to believe, to have already been employed on the same day in any other factory.

**26.** The manager of a factory shall fix specified hours for the employment of each woman and child employed in such factory, and no woman or child shall be employed except during such hours.

**27.** Nothing in section 24 or section 26 shall apply to any woman in any factory for ginning or pressing cotton, in which such number of women are employed as are in the opinion of the inspector sufficient to make the hours of employment of each woman not more than eleven in any one day.

<sup>1</sup> For notification exempting ginning factories from the provisions of sub-section (1), see Calcutta Gazette, 1912, Pt. II, p. 1159.

For notification exempting ginning and pressing factories in Ajmer-Merwara, see Gazette of India, 1913, Pt. II, p. 13.

For notification exempting jute presses from sub-section (1), see Bihar and Orissa Gazette, 1913, Pt. I, p. 151.

For notification exempting cotton presses, see U. P. Gazette, 1913, Pt. I, p. 1238.

## CHAPTER V.

## SPECIAL PROVISIONS FOR TEXTILE FACTORIES.

**28.** No person shall be employed in any textile factory for more than twelve hours in any one day. Limitation of hours of work.

**29.** (1) No person shall be employed in any textile factory before half-past five o'clock in the morning or after seven o'clock in the evening. Limits between which a person may be employed.

(2) Nothing in sub-section (1) shall apply to any person while employed in accordance with a system of shifts approved by the inspector.

**30.** (1) Nothing in section 28 or section 29 shall apply to—

- (a) the work of calendering, finishing, sewing or tailoring, or
- (b) the work of cloth-printing, bleaching or dyeing, or
- (c) any work specified in Part A of Schedule I.

Exceptions from sections 28 and 29.

(2) Where it is proved to the satisfaction of the Local Government that any work not specified in Part A of Schedule I is of an urgent nature, or is such as in the interests of efficiency is commonly performed while the main manufacturing process of the factory is discontinued, the Local Government may, subject to the control of the Governor General in Council, by notification in the local official Gazette, exempt any person employed on such work from the operation of section 28 or section 29 on such conditions, if any, as it may impose.

**31.** (1) The period for which mechanical power or electrical power is used in any textile factory shall not in any one day exceed twelve hours. Limit of use of machinery

(2) Nothing in sub-section (1) shall apply to any mechanical power or electrical power while being solely used in aid of the work performed by any person employed in accordance with a system of shifts approved by the inspector.

(3) Nothing in sub-section (1) shall apply to any mechanical power or electrical power required in connection with any work specified in sub-section (1) of section 30 or in connection with any work which is exempted by the Local Government under sub-section (2) of the same section.

**32.** No child shall be employed in any textile factory for more than six hours in any one day. Limitation of hours of children.

## CHAPTER VI.

## NOTICES AND REGISTERS.

**33.** (1) Every person occupying a factory shall,—

- (a) in the case of existing factories, within one month after the commencement of this Act, or

Person occupying factory to give notice.

(b) in the case of a factory which starts work after the commencement of this Act, within one month after he begins to occupy the factory, send to the inspector a written notice containing—

- (i) the name of the factory and of the place where it is situate,
- (ii) the address to which he desires his letters to be directed,
- (iii) the nature of the work performed in such factory,
- (iv) the nature and amount of the moving power therein, and
- (v) the name of the person who shall be deemed to be the manager of the factory for the purposes of this Act :

Provided that in the case of a seasonal factory such notice shall be sent on or before the date of starting work for each season.

(2) If the manager of the factory is changed, the occupier shall send to the inspector, within seven days from the date on which the change is made, written notice of the change.

(3) During any period for which no person has been designated as manager of a factory under this section, the occupier shall himself be deemed to be the manager of the factory for the purposes of this Act.

Notice to be given of accident.

**34.** When any accident occurs in a factory causing death or bodily injury, whereby the person injured is prevented from returning to his work in the factory during the forty-eight hours next after the occurrence of the accident, the manager shall send notice of the accident to such authorities in such form and within such time as may be prescribed.

Register of children.

**35.** In every factory there shall be kept, in the prescribed form, a register of the children (if any) employed in such factory, and of the nature of their respective employment.

Affixing of abstract and notices.

**36.** (1) There shall be affixed in some conspicuous place near the main entrance of every factory, in English and in the language of the majority of the operatives in such factory, the prescribed abstracts of this Act and of the rules made thereunder, and also a notice containing the standing orders of the factory upon the following matters, namely :—

- (a) the time of beginning and ending work on each day ;
- (b) the periods during which all work is discontinued under section 21 ;
- (c) the hours of beginning and ending work for each shift (if any) ; and
- (d) the hours of employment of women and children respectively, if not employed in shifts.

(2) A copy of the said notice shall be sent to the inspector <sup>1</sup> \* \* \* \* \* within one month of commencing work.

(3) The said notice shall be correctly maintained and kept up to date, and intimation of any change therein shall be sent by the manager to the inspector within seven days.

<sup>1</sup> The words " within one month of the commencement of this Act, or, in the case of a factory which starts work after the commencement of this Act " were repealed by the Repealing and Amending Act, 1914 (10 of 1914)

(4) Nothing in this section, except in so far as it relates to affixing the prescribed abstracts of this Act and the rules made thereunder, shall apply to any seasonal factory.

## CHAPTER VII.

### RULES.

**37.** (1) Subject to the control of the Governor General in Council, the Local Government may make <sup>1</sup>rules for the purpose of carrying into effect <sup>the Power to make rules.</sup> the provisions of this Act.

(2) In particular, and without prejudice to the generality of the foregoing power, such rules may provide for—

- (a) the inspection of factories ;
- (b) the manner in which inspectors are to exercise the powers conferred on them by this Act ;
- (c) the duties to be performed by certifying surgeons ;
- (d) the form of the certificate prescribed by section 7, the grant of a duplicate in the event of loss of the original certificate, and the fee, if any, to be charged for such duplicate ;
- (e) the methods including lime-washing, painting, varnishing and washing, to be adopted in order to secure cleanliness and freedom from effluvia ;
- (f) the proportion which the number of cubic feet of space in any room shall bear to the number of persons employed at one time therein ;
- (g) standards of ventilation, and the methods to be adopted in order to secure their observance ;
- (h) standards of latrine and urinal accommodation ;
- (i) standards of water-supply ;
- (j) the parts of the machinery to be kept fenced in accordance with section 18, sub-section (1), clause (c), and the provisions to be made for the protection from danger of persons employed in attending to the machinery or boilers ;
- (k) the form of the notice prescribed by section 34, and the time within which and the authorities to whom it shall be sent ;

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For rules made by the :—

- (1) Government of Bengal, *see* Calcutta Gazette, 1912, Pt. I, p. 1057.
- (2) Government of Bihar and Orissa, *see* Bihar and Orissa Gazette, 1912, Pt. I, p. 313.
- (3) Government of Bombay, *see* Bombay Government Gazette, 1912, Pt. I, p. 746.
- (4) Government of Burma, *see* Burma Government Gazette, 1912, Pt. I, p. 411.
- (5) Central Provinces, *see* Central Provinces Gazette, 1912, Pt. I, p. 563.
- (6) Madras, *see* Fort St. George Gazette, 1912, Pt. I, p. 682.
- (7) United Provinces, *see* United Provinces Gazette, 1912, Pt. I, p. 594.
- (8) North-West Frontier Provinces, *see* North-West Frontier Provinces Gazette, 1912, Pt. I, p. 751 and *ibid*, 1913, Pt. I-A, p. 498.
- (9) Chief Commissioner, Ajmer, *see* Gazette of India, 1912, Pt. II, p. 1321.
- (10) Punjab, *see* Punjab Gazette, 1912, Pt. I, p. 900. Amended *ibid*, 1913, Pt. I, p. 1411
- 11) Delhi, *see* Gazette of India, 1913, Pt. II, p. 231 and *ibid*, 1913, Pt. II, p. 491.



- (l) the form of the register prescribed by section 35 ;
- (m) the abstracts of the Act and of the rules required by section 36 ;
- (n) the procedure to be followed in presenting and hearing appeals under this Act, including the appointment and remuneration of assessors, and
- (o) the manner of service of notices and orders upon occupiers or managers of factories.

Returns.

**38.** The Governor General in Council may from time to time make <sup>1</sup>rules requiring occupiers or managers of factories to furnish such returns, occasional or periodical, as may in his opinion be necessary for the effectual carrying out of this Act.

Prior publication of rules.

**39.** (1) The power to make rules conferred by section 37, except clauses (k), (l) and (m) of sub-section (2) thereof, and by section 38 is subject to the condition of the rules being made after previous publication.

(2) The date to be specified in accordance with clause (3) of section 23 of the <sup>2</sup>General Clauses Act, 1897, as that after which a draft of rules proposed to X of 1897. be made under sections 37 and 38 will be taken into consideration, shall not be less than three months from the date on which the draft of the proposed rules was published for general information.

Commencement of rules.

**40.** Rules made under this Chapter shall be published in the local official Gazette or the Gazette of India, as the case may be, and shall thereupon have effect as if enacted in this Act.

## CHAPTER VIII.

### PENALTIES AND PROCEDURE.

Penalties.

**41.** If in any factory—

- (a) any person is employed or allowed to work contrary to any of the provisions of this Act ;
- (b) any of the provisions of section 9 are not complied with ;
- (c) latrine or urinal accommodation in accordance with the provisions of section 13 is not provided ;
- (d) a supply of water for the persons employed is not maintained in accordance with the provisions of section 14 ;
- (e) any door is constructed in contravention of section 15 ;
- (f) any of the provisions of section 18, sub-sections (1), (3) and (4), regarding fencing and the protection from danger of persons employed in attending to the machinery or boilers are not complied with ;
- (g) any order of an inspector under section 10, section 11, section 12, section 16 or section 18 is not complied with ;

<sup>1</sup> For rules, see Gazette of India, 1912, Pt. I, p. 977.

<sup>2</sup> General Acts, Vol. IV.

- (h) the register prescribed by section 35 is not kept up to date ;
- (i) any of the provisions of section 36 are not complied with ;
- (j) any notice or return required by this Act or by rules made thereunder to be furnished is not furnished ;

the occupier and manager shall be jointly and severally liable to a fine which may extend to two hundred rupees :

Provided that in cases where an appeal is allowed by section 50 no prosecution under clause (g) of this section shall be instituted until either the time prescribed by section 50 for the presentation of an appeal has expired or such appeal, if made, has been determined.

**42.** (1) Where the occupier or manager of a factory is charged with an offence against this Act, he shall be entitled upon complaint duly made by him to have any other person whom he charges as the actual offender brought before the Court at the time appointed for hearing the charge ; and if, after the commission of the offence has been proved, the occupier or manager of the factory proves to the satisfaction of the Court—

Exemption of occupier or manager from liability in certain cases.

- (a) that he has used due diligence to enforce the execution of this Act, and
- (b) that the said other person committed the offence in question without his knowledge, consent or connivance,

that other person shall be convicted of the offence and shall be liable to the like fine as if he were the occupier or manager, and the occupier or manager shall be discharged from any liability under this Act.

(2) When it is made to appear to the satisfaction of the inspector at any time prior to the institution of the proceedings—

- (a) that the occupier or manager of the factory has used all due diligence to enforce the execution of this Act, and
- (b) by what person the offence has been committed, and
- (c) that it has been committed without the knowledge, consent or connivance of the occupier or manager, and in contravention of his orders,

the inspector shall proceed against the person whom he believes to be the actual offender without first proceeding against the occupier or manager of the factory, and such person shall be liable to the like fine as if he were the occupier or manager.

**43.** Any person who—

- (a) wilfully obstructs an inspector in the exercise of any power under Section 5, or fails to produce on demand by an inspector any registers or other documents kept in pursuance of this Act or the rules made thereunder, or conceals or prevents or attempts to prevent any person employed in a factory from appearing before or being examined by an inspector ;

Penalties for certain offences.

- (b) smokes, or uses a naked light, or causes or permits any such light to be used, in the immediate vicinity of any inflammable material in contravention of section 17 ; or
- (c) does or omits to do any other act prohibited or prescribed by this Act or any order or rule made thereunder ;
- shall be punishable with fine which may extend to two hundred rupees.

Using false certificate.

**44.** Any person who knowingly uses or attempts to use, as a certificate granted to himself under section 7 or section 8, a certificate granted to another person under either of those sections, or who, having procured such a certificate knowingly allows it to be used, or an attempt to use it to be made, by another person, shall be punishable with fine which may extend to twenty rupees.

Limit to penalty in case of repetition of offence.

**45.** A person shall not be liable in respect of a repetition of the same kind of offence from day to day to any larger amount of fines than the highest fine fixed by this Act for the offence, except—

- (a) where the repetition of the offence occurs after a prosecution has been instituted in respect of the original offence, or
- (b) where the offence is one of employing or allowing to be employed two or more persons contrary to the provisions of this Act.

Presumption as to employment.

**46.** If a child over the age of six years is found inside any room or part of a factory in which room or part children are employed and in which any manufacturing process or work incidental to any manufacturing process is being carried on, he shall, until the contrary is proved, be deemed to be employed in the factory.

Evidence as to age.

**47.** (1) When an act or omission would, if a person were under or over a certain age, be an offence punishable under this Act, and such person is in the opinion of the Court apparently under or over such age, it shall be on the accused to prove that such person is not under or over such age.

(2) A declaration in writing by a certifying surgeon that he has personally examined a person employed in a factory and believes him to be under or over the age set forth in such declaration shall, for the purposes of this Act, be admissible as evidence of the age of that person.

Cognizance of offences.

**48.** (1) No prosecution under this Act, except a prosecution under section 43, clause (b), shall be instituted except by or with the previous sanction of the inspector.

(2) No Court inferior to that of a Presidency Magistrate or of a Magistrate of the first class shall try any offence against this Act or any rule or order thereunder, other than an offence against section 43, clause (b).

Limitation of prosecutions.

**49.** No Court shall take cognizance of any offence against this Act or any rule or order thereunder, unless complaint thereof is made within six months of the date on which the offence is alleged to have been committed.

## CHAPTER IX.

## SUPPLEMENTAL PROVISIONS.

**50.** (1) Any person on whom an order under section 10, section 11, section 12, section 16 or section 18 has been served may, within fourteen days from the date of service of the order, appeal against such order to the Local Government or to such <sup>1</sup>authority as it may appoint in this behalf, who may confirm, modify or reverse any such order.

(2) Where an inspector refuses to approve a system of shifts, he shall, if required by the manager of the factory, record his order of refusal with the reasons therefor, and the manager of the factory may, within fourteen days from the date of such order, appeal against it to the Local Government or to such <sup>1</sup>authority as it may appoint in this behalf, who may confirm, modify or reverse any such order.

(3) In the case of any appeal under sub-section (1) the appellate authority may, and if so requested by the appellant in the petition of appeal shall, hear the appeal with the aid of two assessors, one of whom shall be appointed by the said authority and the other by such <sup>2</sup>body representing the interest of the industry concerned as the Local Government may in this behalf prescribe :

Provided that if no assessor is appointed by such body within the prescribed period, or if the assessor so appointed fails to attend at the time and place fixed for the hearing of the appeal, the said authority may proceed to hear the appeal without the aid of such assessor, or, if it thinks fit, without the aid of any assessor.

**51.** (1) In respect of any area in which the hours of the day are not ordinarily reckoned according to local mean time, the times and hours referred to in section 2, sub-section (8), section 26 and section 36 shall be reckoned according to the standard of time ordinarily observed in such area. Special provision regarding computation of time.

(2) The Local Government may, by notification in the local official Gazette, direct that for any specified area and during any specified months, for the morning and evening hours mentioned in section 23, clause (b), section 24, clause (a), and section 29, such one of the following sets of morning and evening hours, as it deems suitable, <sup>3</sup>reckoned according to the standard of time ordinarily observed in such area, shall be substituted, namely :—

- five o'clock in the morning and half past six o'clock in the evening ;
- six o'clock in the morning and half past seven o'clock in the evening ;
- half past six o'clock in the morning and eight o'clock in the evening ;
- seven o'clock in the morning and half past eight o'clock in the evening.

<sup>1</sup> For notification by the Government of Burma appointing Commissioners of Divisions as appellate authorities, see *Burma Gazette*, 1912, Pt. 1, p. 419.

For notification appointing the Director of Agriculture and Industries, Punjab, as appellate authority, see *Punjab Gazette*, 1914, Pt. 1, p. 23.

<sup>2</sup> For notification by the Government of Burma appointing the Burma Chamber of Commerce to be body by whom the second assessor may be appointed, see *Burma Gazette*, 1912, Pt. 1, p. 419.

<sup>3</sup> For notification by the Government of Bombay as to the morning and evening hours to be observed in Sind, see *Bombay Government Gazette*, 1913, Pt. 1, p. 643.

Computation  
of hours of  
employment.

**52.** In computing the hours referred to in section 23, clause (c), section 24, clause (b), section 28 and section 32, any interval by which work is interrupted for half an hour or more shall be excluded.

Power to  
declare  
parts of a  
factory to  
be separate  
factories.

**53.** The Local Government may, subject to the control of the Governor General in Council, by special order in writing, direct, with respect to any factory or class of factories, that different branches or departments of work carried on in the same factory shall for all or any of the purposes of this Act be treated as if they were separate factories.

Application  
to Crown  
factories.  
Special provi-  
sion for  
Burma for  
employment  
on Sunday.

**54.** This Act shall apply to factories belonging to the Crown.

**55.** Notwithstanding anything in section 22, sub-section (1), any person may in the province of Burma be employed on Sunday for any time not exceeding four hours in cleaning the machinery and apparatus in a factory, provided that he has not worked in the factory later than two o'clock in the afternoon on the previous day.

Power to  
exempt from  
Act.

**56.** In case of any public emergency, the Local Government may, by an order in writing, exempt any factory from this Act to such extent and during such period as it thinks fit.

Exercise of  
powers by  
Governor  
General  
in Council.  
Protection  
to persons  
acting under  
Act.

**57.** The Governor General in Council may, if he thinks fit, exercise any power which is by this Act conferred upon the Local Government.

**58.** No suit, prosecution or other legal proceeding shall lie against any person for anything which is in good faith done or intended to be done under this Act.

Repeal and  
savings.

**59.** The Indian Factories Act, 1881, and the Indian Factories Act, 1891, <sup>XV of 1881.</sup>  
<sup>XI of 1891.</sup>  
are hereby repealed :

Provided that all appointments made and all certificates given under the said Acts shall be deemed to have been made or given under this Act.

## SCHEDULE I.

(See sections 21, 22, 30.)

### PART A.

[See sections 21 (2), (3) ; 22, (3) ; 30.]

WORK OF AN URGENT NATURE OR SUCH AS IN THE INTERESTS OF EFFICIENCY IS COMMONLY PERFORMED WHILE THE MAIN MANUFACTURING PROCESS OF THE FACTORY IS DISCONTINUED.

- (a) Work by the supervising staff, clerks, watchmen or messengers ;
- (b) Work in the mechanic shop, the smithy or foundry, the boiler-house, the engine-room or power-house, or in connection with the mill-gearing, the electric driving or lighting apparatus, mechanical or electrical lifts, or the steam or water pipes or pumps ;

- (c) Work on the cleaning of walls, ceilings or other portions of factory buildings, tanks, wells, humidifying or ventilating apparatus, tunnels, blowroom flues or line-shaft alleys or of galleries in ginning factories;
  - (d) Work by persons engaged in oiling, examining or repairing or in supervising or aiding in the oiling, examination or repair of any machinery or other thing whatsoever which is necessary for the carrying on of the work in a factory.
- Explanation.*—Periodical cleaning is not included in the terms “examining” or “repairing”;
- (e) Work on the processes of packing, bundling or baling of finished articles or the receiving or despatching of goods.

## PART B.

[See section 21 (2), (3).]

WORK NECESSITATING CONTINUOUS PRODUCTION FOR TECHNICAL REASONS  
IN THE FOLLOWING FACTORIES, NAMELY:—

Tanneries.  
 Sugar refineries.  
 Breweries.  
 Distilleries.  
 Oil refineries.  
 Oil mills.  
 Cement works.  
 Cloth-printing works.  
 Bleaching and dyeing works.  
 Carbonic acid gas works.  
 Chemical works.  
 Glass works.  
 Paper mills.  
 Shellac factories.  
 Potteries.  
 Blast furnaces, ore smelting works, or works for the manufacture of iron or steel or other metals.

## PART C.

[See section 21 (2), (3).]

FACTORIES WHICH BY REASON OF THE EXIGENCIES OR THE SPECIAL CIRCUMSTANCES OF THE TRADE CARRIED ON THEREIN REQUIRE AN UNINTERRUPTED WORKING DAY, NAMELY:—

Flour mills.  
 Rice mills.

Letter-press printing works.  
 Dairies.  
 Bakeries.  
 Ice factories.  
 The mints.  
 Gas works.  
 Air-compressor stations.  
 Water-works or water-supply pumping stations.

## SCHEDULE II.

*(See section 22.)*

### PART A.

*[See section 22 (3), (4).]*

**WORK NECESSITATING CONTINUOUS PRODUCTION FOR TECHNICAL REASONS  
 IN THE FOLLOWING FACTORIES, NAMELY :—**

Tanneries.  
 Sugar refineries.  
 Breweries.  
 Distilleries.  
 Oil refineries.  
 Cement works.  
 Carbonic acid gas works.  
 Chemical works.  
 Glass works.  
 Shellac factories.  
 Potteries.  
 Blast furnaces, ore smelting works, or works for the manufacture  
 of iron or steel or other metals.

### PART B.

*[See section 22 (3), (4).]*

**FACTORIES WHICH SUPPLY THE PUBLIC WITH ARTICLES OF PRIME NECESSITY  
 WHICH MUST BE MADE OR SUPPLIED EVERY DAY, NAMELY :—**

Ice factories.  
 Dairies.  
 Bakeries.  
 Gas works.  
 Air-compressor stations.  
 Water-works or water-supply pumping stations.

ACT No. XIII OF 1911.<sup>1</sup>

[18th September, 1911.]

An Act further to amend the Indian Christian Marriage Act, 1872.

WHEREAS it is expedient further to amend the <sup>2</sup>Indian Christian Marriage Act, 1872; It is hereby enacted as follows :—

XV of 1872. 1. This Act may be called the Indian Christian Marriage (Amendment) Act, 1911. Short title.

XV of 1872. 2. For section 81 of the <sup>2</sup>Indian Christian Marriage Act, 1872, the following section shall be substituted, namely :— Substitution of new section 81, Act XV of 1872.

“ 81. The Registrar General of Births, Deaths and Marriages and the officers appointed under section 56 shall, at the end of every quarter in each year, select, from the certificates of marriages forwarded to them, respectively, during such quarter, the certificates of the marriages of which the Governor General in Council may desire that evidence shall be transmitted to England, and shall send the same certificates, signed by them respectively, to the Secretary of State for India.” Certificates of certain marriages for Secretary of State.

ACT No. XIV OF 1911.<sup>1</sup>

[18th September, 1911.]

An Act further to amend the Court-fees Act, 1870.

WHEREAS it is expedient further to amend the <sup>2</sup>Court-fees Act, 1870; VII of 1870. It is hereby enacted as follows :—

1. This Act may be called the Court-fees (Amendment) Act, 1911. Short title.

VII of 1870. 2. In Schedule II of the <sup>2</sup>Court-fees Act, 1870, after article 1 the following article shall be inserted, namely :— Amendment of Schedule II, Act VII of 1870.

“ 1A. Application to any Civil Court that records may be called for from another Court.	When the Court grants the application and is of opinion that the transmission of such records involves the use of the post.	Twelve annas in addition to any fee levied on the application under clause (a), clause (b) or clause (d) of article 1 of this Schedule.”
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<sup>1</sup> For Statement of Objects and Reasons, see Gazette of India, 1911, Pt. V, p. 112; and for Proceedings in Council, see *ibid*, 1911, Pt. VI, pp. 634 and 654.

<sup>2</sup> Genl. Acts, Vol. II.



ACT No. XV OF 1911.<sup>1</sup>

[18th September, 1911.]

## An Act further to amend the Indian Forest Act, 1878.

WHEREAS it is expedient further to amend the <sup>2</sup>Indian Forest Act, 1878; <sup>VII</sup> of 1878.  
It is hereby enacted as follows :—

Short title.

Amendment  
of section 2,  
Act VII,  
1878.Amendment  
of section 26,  
Act VII,  
1878.Amendment  
of section 31,  
Act VII,  
1878.Amendment  
of section 39,  
Act VII,  
1878.Repeal of  
proviso to  
section 77.  
Act VII,  
1878.

1. This Act may be called the Indian Forest (Amendment) Act, 1911.

2. In section 2 of the <sup>2</sup>Indian Forest Act, 1878, in sub-clause (a) of the <sup>VII</sup> of 1878.  
definition of "forest-produce," after the words "mahua flowers" the words  
"mahua seeds" shall be inserted.

3. In section 26 of the said Act, for the words "with the previous sanc-  
tion" the words "subject to the control" shall be substituted.

4. In section 31 of the said Act, after the words "from time to time"  
the words "and subject to the control of the Governor General in Council"  
shall be inserted.

5. In section 39 of the said Act—

(a) for the words "with the previous sanction" the words "subject to  
the control" shall be substituted;

(b) after sub-clause (b) the following proviso shall be inserted, namely :—

"Provided that a notification directing the levy of a duty, in the  
case of timber and other forest-produce brought from any  
place beyond the frontier of British India, which is not under  
the control of the Local Government, shall not be issued with-  
out the previous sanction of the Governor General in Council";  
and

(c) for the words "with the like sanction" the words "subject to the like  
control or sanction, respectively" shall be substituted.

6. The proviso to section 77 of the said Act is hereby repealed.

ACT No. XVII OF 1911.<sup>3</sup>

[23rd September, 1911.]

An Act to control the manufacture, possession, use, sale, import  
and export of airships.

WHEREAS it is expedient to take power to control the manufacture, posses-  
sion, use, sale, import and export of airships; It is hereby enacted as follows :—

Short title,  
extent and  
commence-  
ment.

1. (1) This Act may be called the Indian Airships Act, 1911.

(2) It extends to the whole of British India, including British Baluchistan,  
the Santhal Parganas and the Pargana of Spiti.

<sup>1</sup> For Statement of Objects and Reasons, see Gazette of India, 1911, Pt. V, p. 113; and for Proceedings in Council, see *ibid*, 1911, Pt. VI, pp. 634 and 664.

<sup>2</sup> Genl. Acts, Vol. II.

<sup>3</sup> For Statement of Objects and Reasons, see Gazette of India, 1911, Pt. V, p. 116; and for Proceedings in Council, see *ibid*, 1911, Pt. VI, pp. 635, 664 and 680.

(3) It shall come into force on such <sup>1</sup>date as the Governor General in Council may, by notification in the Gazette of India, direct in this behalf.

2. In this Act, unless there is anything repugnant in the subject or context—

- (1) "airship" means any machine fitted with mechanical or other means of propulsion designed to fly or float in the air without connection with the earth, and includes any part of any such machine : Definitions.
- (2) "export" means taking out of British India :
- (3) "import" means bringing into British India : and
- (4) "prescribed" means prescribed by rules under this Act.

3. (1) The Governor General in Council, or the Local Government subject to the control of the Governor General in Council, may make <sup>2</sup>rules consistent with this Act to regulate or prohibit, except under and in accordance with the conditions of a license granted as provided by such rules, the manufacture, possession, use, sale, import and export of airships or any specified class of airships. Power to make rules for licensing the manufacture, possession, use, sale, import and export of airship.

(2) In particular and without prejudice to the generality of the foregoing power, the Governor General in Council or the Local Government, as the case may be, may make rules for all or any of the following, among other matters, that is to say :—

- (a) the authority by which licenses may be granted ;
- (b) the fees to be charged for licenses, and the other sums (if any) to be paid for expenses by applicants for licenses ;
- (c) the manner in which applications for licenses shall be made, and the matters to be specified in such application ;
- (d) the forms in which, and the conditions subject to which, licenses may be granted ;
- (e) the period for which licenses shall continue in force ;
- (f) the keeping by the holder of any such license of a record or account in the prescribed form of anything done under such license, and the exhibition of such record or account when called upon to do so by any officer of Government specially empowered by any such rule in this behalf ;
- (g) the production by the person holding any license of such license, and the production or accounting for by him of the airship covered by such license, when called upon to do so by any officer of Government specially empowered by any such rule in this behalf ;
- (h) the prohibition, either absolutely or subject to conditions, of the carrying in airships of all or any of the following things, namely :—  
explosives, arms, ammunition, carrier-birds, photographic or

<sup>1</sup> The Act was brought into force on 15th October, 1912, see Gazette of India, 1912, Pt. I, p. 1128.

<sup>2</sup> For rules under this section in conjunction with section 6, see Gazette of India, 1913, Pt. I, p. 467.

wireless telegraphic apparatus or such other things as may hereafter be prescribed in this behalf ; and

- (2) the carrying of a number or other means of identification by airships and the registration of such number or means of identification.

(3) In making any rule under this section, other than under clause (h) thereof, the authority making the rule may direct that a breach of it shall be punishable with imprisonment for a term which may extend to one month or with fine which may extend to two hundred rupees, or with both.

Power to Governor General in Council to prohibit the import or export of airships for public good.

4. (1) Notwithstanding anything in any rule made under section 3, the Governor General in Council may, by notification in the Gazette of India, prohibit either absolutely or subject to conditions the import or export of all or any airships or any class of airships if, in his opinion, the issue of such a notification is expedient in the interest of the public safety or tranquillity.

(2) When a notification has been issued under sub-section (1), the officers of sea customs shall have the same power in respect of the airships specified therein, and in respect of any vessel containing any such airships as they have for the time being in respect of any article the import or export of which is prohibited or regulated by the law relating to sea customs and the vessel containing the same ; and the enactments for the time being in force relating to sea customs or any such article or vessel shall apply accordingly.

Power to Governor General in Council to cancel or suspend licences and to acquire airships for the public service.

5. (1) If the Governor General in Council is of opinion that, in the interest of the public safety or tranquillity, the issue of all or any of the following orders is expedient, he may by notification in the Gazette of India—

- (i) cancel or suspend all or any licences issued under this Act either absolutely or subject to such conditions as he may think fit to prescribe ;
- (ii) direct that all or any airships or any specified class of airships shall be delivered, either forthwith or within a specified time, to such authority as he may appoint in this behalf ;
- (iii) direct that all or any airships delivered to any authority in accordance with a direction under sub-clause (ii) shall be at the disposal of His Majesty for the public service.

(2) On the issue of a notification under clause (ii) of sub-section (1) any person in whose possession any airship referred to in such notification may be, shall forthwith, or within the time specified in such notification, deliver the same to the authority specified therein.

(3) On the issue of a notification under clause (iii) of sub-section (1) in respect of any airship, the owner thereof shall be paid such compensation as may be determined by such officer as the Local Government may appoint in this behalf.

(4) In determining the amount of any compensation payable under sub-section (3), such officer shall have regard to any rules regulating the assessment and payment of compensation which the Governor General in Council, or

the Local Government subject to the control of the Governor General in Council, may make in this behalf.

6. (1) The Governor General in Council, or the Local Government subject to the control of the Governor General in Council, may make rules<sup>1</sup> consistent with this Act authorising any officer—

Power to make rules conferring powers of inspection, search, seizure, detention and removal.

- (a) to enter, inspect and examine any place, carriage or vessel in which an airship is being manufactured, possessed, used, sold, imported or exported under a license granted under this Act, or in which he has reason to believe that an airship has been or is being manufactured, possessed, used, sold, imported or exported in contravention of this Act or of any rule made thereunder ;
- (b) to search for airships therein ;
- (c) to seize, detain and remove any airship found therein ; and
- (d) to search any airship for explosives, arms, ammunition, carrier-birds, photographic or wireless telegraphic apparatus or such other things as may hereafter be prescribed in this behalf, and to seize, detain and remove any such things if found thereon.

V of 1898.

(2) The provisions of the <sup>2</sup>Code of Criminal Procedure, 1898, relating to searches under that Code shall, so far as the same are applicable, apply to searches by officers authorised by rules under this section.

7. (1) The Local Government, or any officer specially empowered in this behalf by the Local Government, may by order in writing prohibit the navigation of airships over such areas as may be prescribed in the order.<sup>3</sup>

Prohibition and regulation of navigation by airships.

(2) Any such order may apply either generally to all airships or to airships of such classes and descriptions only as may be specified in the order, and may prohibit the navigation of airships over any such prescribed area either at all times or at such times or on such occasions only as may be specified in the order and either absolutely or subject to such exceptions or conditions as may be so specified.

8. Whoever in contravention of —

Penalty for certain offences.

- (1) a rule made under section 3, sub-section (2), clause (h), carries in an airship, explosives, fire-arms, ammunition, carrier-birds, photographic or wireless telegraphic apparatus or such other things as may hereafter be prescribed in this behalf, or
- (2) a notification issued under section 4, imports or exports an airship, or

<sup>1</sup> For rules under this section in conjunction with section 3, see Gazette of India, 1913, Pt. I, p. 467.

<sup>2</sup> Genl. Acts, Vol. V.

<sup>3</sup> For such order as to—

Bombay, see Bombay Government Gazette, 1912, Pt. I, p. 1984.

Aden, see Bombay Government Gazette, 1913, Pt. I, p. 1034.

Baluchistan, see Gazette of India, 1914, Pt. II, p. 1107.

Central Provinces, see Central Provinces Gazette, 1914, Pt. I, p. 7.

N. W. F. P., see N. W. F. P. Gazette, 1914, Pt. I-A, p. 39.

Punjab, see Punjab Gazette, 1913, Pt. I, p. 842.

- (3) a notification issued under section 5, sub-section (1), clause (i), does or abstains from doing any act, or
- (4) a notification issued under section 5, sub-section (1), clause (ii), fails to deliver to the proper authority any airship in his possession, or
- (5) an order made under section 7, undertakes a flight in an airship, unless he proves that he was compelled to do so by reason of stress of weather or other circumstances over which he had no control,

shall be punishable with imprisonment for a term which may extend to three years or with fine, or with both.

Penalty in cases not provided for in section 8.

**9.** Whoever, in any case not provided for in section 8, manufactures, possesses, uses, sells, imports or exports an airship in contravention of this Act or of the conditions of a license granted thereunder, shall be punishable with imprisonment for a term which may extend to six months, or with fine which may extend to one thousand rupees, or with both.

Forfeiture on conviction.

**10.** When a person is convicted of an offence punishable under this Act or of the rules made thereunder, the Court before which he is convicted may direct that the airship or the thing (if any) in respect of which the offence has been committed, or any part of such thing, shall be forfeited to His Majesty.

Abetments and attempts.

**11.** Whoever abets the commission of an offence punishable under this Act, or the rules made thereunder, or attempts to commit any such offence and in such attempt does any act towards the commission of the same, shall be punishable as if he had committed the offence.

Saving for acts done by Government or Government officers.

**12.** Nothing in this Act shall apply to the manufacture, possession, use, sale, import or export of any airship—

(a) by order of the Government; or

(b) by any person employed under the Government in the execution of this Act or <sup>1</sup>[by] a public servant in the course of his employment or duty as such.

Procedure for making rules.

**13.** (1) The power to make rules conferred by this Act is subject to the condition of the rules being made after previous publication.

(2) All rules made under this Act shall be published in the Gazette of India or the local official Gazette, as the case may be, and shall thereupon have effect as if enacted in this Act.

Saving for Acts done in good faith under Act.

**14.** No suit, prosecution or other legal proceedings shall lie against any person for anything which is in good faith done or intended to be done under this Act.

<sup>1</sup> Substituted for "to" by the Repealing and Amending Act, 1914 (10 of 1914) Sch. I.

ACT No. I OF 1912.<sup>1</sup>

[1st March, 1912.]

## An Act further to amend the Indian Stamp Act, 1899.

II of 1899. WHEREAS, it is expedient further to amend the <sup>2</sup>Indian Stamp Act, 1899 ;  
It is hereby enacted as follows :—

1. This Act may be called the Indian Stamp (Amendment) Act, 1912. Short title.

II of 1899. 2. In Article No. 13 of Schedule I of the <sup>2</sup>Indian Stamp Act, 1899 (herein- Amendment  
after referred to as the said Act), as amended by the <sup>3</sup>Indian Stamp (Amend- of Act II,  
ment) Act, 1910, for clause (b) the following shall be substituted, namely :— 1899.  
VI of 1910. Schedule I,  
as amended  
by Act VI,  
1910.

		If drawn singly.	If drawn in set of two, for each part of the set.	If drawn in set of three, for each part of the set.
		Rs. A. P.	Rs. A. P.	Rs. A. P.
“ (b) where payable otherwise than on demand, but not more than one year after date or sight —				
	Rs.			
if the amount of the bill or note does not exceed .	200	0 3 0	0 2 0	0 1 0
if it exceeds Rs. 200 and does not exceed	400	0 6 0	0 3 0	0 2 0
Ditto 400 ditto .	600	0 9 0	0 5 0	0 3 0
Ditto 600 ditto .	800	0 12 0	0 6 0	0 4 0
Ditto 800 ditto .	1,000	0 15 0	0 8 0	0 5 0
Ditto 1,000 ditto .	1,200	1 2 0	0 9 0	0 6 0
Ditto 1,200 ditto .	1,600	1 8 0	0 12 0	0 8 0
Ditto 1,600 ditto .	2,500	2 4 0	1 2 0	0 12 0
Ditto 2,500 ditto .	5,000	4 8 0	2 4 0	1 8 0
Ditto 5,000 ditto .	7,500	6 12 0	3 6 0	2 4 0
Ditto 7,500 ditto .	10,000	9 0 0	4 8 0	3 0 0
Ditto 10,000 ditto .	15,000	13 8 0	6 12 0	4 8 0
Ditto 15,000 ditto .	20,000	18 0 0	9 0 0	6 0 0
Ditto 20,000 ditto .	25,000	22 8 0	11 4 0	7 8 0
Ditto 25,000 ditto .	30,000	27 0 0	13 8 0	9 0 0
and for every additional Rs. 10,000 or part there- of in excess of Rs. 30,000.		9 0 0	4 8 0	3 0 0”

3. In section 23A, sub-section (I), of the said Act, for the words and figure “ Article No. 5 (b),” the words and figure “ Article No. 5 (c)” shall be substituted. Amendment  
of Act II,  
1899,  
section 23A.

<sup>1</sup> For Statement of Objects and Reasons, see Gazette of India, 1911, Pt. V, p. 186 ; for Report of Select Committee, see *ibid*, 1912, Pt. V, p. 3 ; and for Proceedings in Council, see *ibid*, 1911, Pt. VI, p. 697 and *ibid*, 1912, Pt. VI, pp. 7, 30 and 256.

<sup>2</sup> Genl. Acts, Vol. V.

<sup>3</sup> *Supra*, p. 21.

## THE CO-OPERATIVE SOCIETIES ACT, 1912 (II OF 1912).

## CONTENTS.

## PRELIMINARY.

## SECTIONS.

1. Short title and extent.
2. Definitions.

*Registration.*

- 3 The Registrar.
4. Societies which may be registered.
5. Restrictions on interest of member of society with limited liability and a share capital.
6. Conditions of registration.
7. Power of Registrar to decide certain questions.
8. Application for registration.
9. Registration.
10. Evidence of registration.
11. Amendment of the by-laws of a registered society.

*Rights and liabilities of members.*

12. Member not to exercise rights till due payment made.
13. Votes of members.
14. Restrictions on transfer of share or interest.

*Duties of registered societies.*

15. Address of societies.
16. Copy of Act, rules and by-laws to be open to inspection.
17. Audit.

*Privileges of registered societies.*

18. Societies to be bodies corporate.
19. Prior claim of society.
20. Charge and set-off in respect of shares or interest of member.
21. Shares or interest not liable to attachment.
22. Transfer of interest on death of member.
23. Liability of past member.
24. Liability of the estates of deceased members.
25. Register of members.
26. Proof of entries in societies' books.
27. Exemption from compulsory registration of instruments relating to shares and debentures of registered society.
28. Power to exempt from income-tax, stamp-duty and registration-fees.

*Property and funds of registered societies.*

## SECTIONS.

- 29. Restrictions on loans.
- 30. Restrictions on borrowing.
- 31. Restrictions on other transactions with non-members.
- 32. Investment of funds.
- 33. Funds not to be divided by way of profit.
- 34. Contribution to charitable purpose.

*Inspection of affairs.*

- 35. Inquiry by Registrar.
- 36. Inspection of books of indented society.
- 37. Costs of inquiry.
- 38. Recovery of costs.

*Dissolution of society.*

- 39. Dissolution.
- 40. Cancellation of registration of society.
- 41. Effect of cancellation of registration.
- 42. Winding up.

*Rules.*

- 43. Rules.

*Miscellaneous.*

- 44. Recovery of sums due to Government.
- 45. Power to exempt societies from conditions as to registration.
- 46. Power to exempt registered societies from provisions of the Act.
- 47. Prohibition of the use of the word "co-operative."
- 48. Indian Companies Act, 1882, not to apply.
- 49. Saving of existing societies.
- 50. Repeal.

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ACT No. II OF 1912.<sup>1</sup>

[1st March, 1912.]

An Act to amend the Law relating to Co-operative Societies.

WHEREAS it is expedient further to facilitate the formation of Co-operative Societies for the promotion of thrift and self-help among agriculturists,

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<sup>1</sup> For Statement of Objects and Reasons, see Gazette of India, 1911, Pt. V, p. 95; for Report of Select Committee, see *ibid*, 1912, Pt. V, p. 7; and for Proceedings in Council, see *ibid*, 1911, Pt. VI, pp. 186, 679 and *ibid*, 1912, Pt. VI, pp. 3, 31 and 256.

It has been declared in force under s. 3 of the British Baluchistan Laws Regulation, 1913 (2 of 1913) to British Baluchistan, see Bal. Code.



artisans and persons of limited means, and for that purpose to amend the law, relating to Co-operative Societies ; It is hereby enacted as follows :—

*Preliminary.*

Short title  
and extent.

**1.** (1) This Act may be called the Co-operative Societies Act; 1912 ;  
and

Definitions.

(2) It extends to the whole of British India.

**2.** In this Act, unless there is anything repugnant in the subject or context,—

- (a) “ by-laws ” means the registered by-laws for the time being in force, and includes a registered amendment of the by-laws :
- (b) “ committee ” means the governing body of a registered society to whom the management of its affairs is entrusted :
- (c) “ member ” includes a person joining in the application for the registration of a society and a person admitted to membership after registration in accordance with the by-laws and any rules :
- (d) “ officer ” includes a chairman, secretary, treasurer, member of committee, or other person empowered under the rules or the by-laws to give directions in regard to the business of the society :
- (e) “ registered society ” means a society registered or deemed to be registered under this Act :
- (f) “ Registrar ” means a person appointed to perform the duties of a Registrar of Co-operative Societies under this Act : and
- (g) “ rules ” means rules made under this Act.

*Registration.*

The Registrar.

**3.** The Local Government may appoint a person to be Registrar of Co-operative Societies for the Province or any portion of it, and may appoint persons to assist such Registrar, and may, by general or special order, confer on any such persons all or any of the powers of a Registrar under this Act.

Societies  
which may be  
registered.

**4.** Subject to the provisions hereinafter contained, a society which has as its object the promotion of the economic interests of its members in accordance with co-operative principles, or a society established with the object of facilitating the operations of such a society, may be registered under this Act with or without limited liability :

Provided that unless the Local Government by general or special order otherwise directs—

- (1) the liability of a society of which a member is a registered society shall be limited ;
- (2) the liability of a society of which the object is the creation of funds to be lent to its members, and of which the majority of the members are agriculturists, and of which no member is a registered society shall be unlimited.

**5.** Where the liability of the members of a society is limited by shares, no member other than a registered society shall—

- (a) hold more than such portion of the share capital of the society, subject to a maximum of one-fifth, as may be prescribed by the rules ;  
or
- (b) have or claim any interest in the shares of the society exceeding one thousand rupees.

Restrictions  
on interest  
of member of  
society with  
limited  
liability and  
a share  
capital.

**6.** (1) No society, other than a society of which a member is a registered society, shall be registered under this Act which does not consist of at least ten persons above the age of eighteen years and, where the object of the society is the creation of funds to be lent to its members, unless such persons—

Conditions  
of registra-  
tion.

- (a) reside in the same town or village or in the same group of villages or,
- (b) Save where the Registrar otherwise directs, are members of the same tribe, class, caste or occupation.

(2) The word “ limited ” shall be the last word in the name of every society with limited liability registered under this Act.

**7.** When any question arises whether for the purposes of this Act a person is an agriculturist or a non-agriculturist, or whether any person is a resident in a town or village or group of villages, or whether two or more villages shall be considered to form a group, or whether any person belongs to any particular tribe, class, caste or occupation, the question shall be decided by the Registrar, whose decision shall be final.

Power of  
Registrar to  
decide certain  
questions.

**8.** (1) For purposes of registration an application to register shall be made to the Registrar.

Application  
for registra-  
tion.

(2) The application shall be signed—

- (a) in the case of a society of which no member is a registered society, by at least ten persons qualified in accordance with the requirements of section 6, sub-section (1) ; and
- (b) in the case of a society of which a member is a registered society, by a duly authorised person on behalf of every such registered society, and where all the members of the society are not registered societies, by ten other members or, when there are less than ten other members, by all of them.

(3) The application shall be accompanied by a copy of the proposed by-laws of the society, and the persons by whom or on whose behalf such application is made shall furnish such information in regard to the society as the Registrar may require.

**9.** If the Registrar is satisfied that a society has complied with the provisions of this Act and the rules and that its proposed by-laws are not contrary to the Act or to the rules, he may, if he thinks fit, register the society and its by-laws.

Registration.

Evidence of registration.

**10.** A certificate of registration signed by the Registrar shall be conclusive evidence that the society therein mentioned is duly registered unless it is proved that the registration of the society has been cancelled.

Amendment of the by-laws of a registered society.

**11.** (1) No amendment of the by-laws of a registered society shall be valid until the same has been registered under this Act, for which purpose a copy of the amendment shall be forwarded to the Registrar.

(2) If the Registrar is satisfied that any amendment of the by-laws is not contrary to this Act or to the rules, he may, if he thinks fit, register the amendment.

(3) When the Registrar registers an amendment of the by-laws of a registered society, he shall issue to the society a copy of the amendment certified by him, which shall be conclusive evidence that the same is duly registered.

*Rights and liabilities of members.*

Member not to exercise rights till due payment made.

**12.** No member of a registered society shall exercise the rights of a member unless or until he has made such payment to the society in respect of membership or acquired such interest in the society, as may be prescribed by the rules or by-laws.

Votes of members.

**13.** (1) Where the liability of the members of a registered society is not limited by shares, each member shall, notwithstanding the amount of his interest in the capital, have one vote only as a member in the affairs of the society.

(2) Where the liability of the members of a registered society is limited by shares, each member shall have as many votes as may be prescribed by the by-laws.

(3) A registered society which has invested any part of its funds in the shares of any other registered society may appoint as its proxy, for the purpose of voting in the affairs of such other registered society, any one of its members.

Restrictions on transfer of share or interest.

**14.** (1) The transfer or charge of the share or interest of a member in the capital of a registered society shall be subject to such conditions as to maximum holding as may be prescribed by this Act or by the rules.

(2) In case of a society registered with unlimited liability a member shall not transfer any share held by him or his interest in the capital of the society or any part thereof unless—

(a) he has held such share or interest for not less than one year ; and

(b) the transfer or charge is made to the society or to a member of the society.

*Duties of registered societies.*

Address of societies.

**15.** Every registered society shall have an address, registered in accordance with the rules, to which all notices and communications may be sent, and shall send to the Registrar notice of every change thereof.

16. Every registered society shall keep a copy of this Act and of the rules governing such society, and of its by-laws, open to inspection free of charge at all reasonable times at the registered address of the society.

Copy of Act, rules and by-laws to be open to inspection. Audit.

17. (1) The Registrar shall audit or cause to be audited by some person authorized by him by general or special order in writing in this behalf the accounts of every registered society once at least in every year.

(2) The audit under sub-section (1) shall include an examination of overdue debts, if any, and a valuation of the assets and liabilities of the society.

(3) The Registrar, the Collector or any person authorised by general or special order in writing in this behalf by the Registrar shall at all times have access to all the books, accounts, papers and securities of a society, and every officer of the society shall furnish such information in regard to the transactions and working of the society as the person making such inspection may require.

*Privileges of registered societies.*

18. The registration of a society shall render it a body corporate by the name under which it is registered, with perpetual succession and a common seal, and with power to hold property, to enter into contracts, to institute and defend suits and other legal proceedings and to do all things necessary for the purposes of its constitution.

Societies to be bodies corporate.

19. Subject to any prior claim of the Government in respect of land-revenue or any money recoverable as land revenue or of a landlord in respect of rent or any money recoverable as rent, a registered society shall be entitled in priority to other creditors to enforce any outstanding demand due to the society from a member or past member—

Prior claim of society.

- (a) in respect of the supply of seed or manure or of the loan of money for the purchase of seed or manure—upon the crops or other agricultural produce of such member or person at any time within eighteen months from the date of such supply or loan ;
- (b) in respect of the supply of cattle, fodder for cattle, agricultural or industrial implements or machinery, or raw materials for manufacture, or of the loan of money for the purchase of any of the foregoing things—upon any such things so supplied, or purchased in whole or in part from any such loan, or on any articles manufactured from raw materials so supplied or purchased.

20. A registered society shall have a charge upon the share or interest in the capital and on the deposits of a member or past member and upon any dividend, bonus or profits payable to a member or past member in respect of any debt due from such member or past member to the society, and may set off any sum credited or payable to a member or past member in or towards payment of any such debt.

Charge and set-off in respect of shares or interest of member.

21. Subject to the provisions of section 20, the share or interest of a member in the capital of a registered society shall not be liable to attachment

Shares or interest not liable to

attachment. or sale under any decree or order of a Court of Justice in respect of any debt or liability incurred by such member, and neither the Official Assignee under the 'Presidency-towns Insolvency Act, 1909, nor a Receiver under the 'Pro<sup>1</sup> III of 1909. vincial Insolvency Act, 1907, shall be entitled to or have any claim on such III of 1907. share or interest.

Transfer of interest on death of member.

22. (1) On the death of a member a registered society may transfer the share or interest of the deceased member to the person nominated in accordance with the rules made in this behalf, or, if there is no person so nominated to such person as may appear to the committee to be the heir or legal representative of the deceased member, or pay to such nominee, heir or legal representative, as the case may be, a sum representing the value of such member's share or interest, as ascertained in accordance with the rules or by-laws :

Provided that—

- (i) in the case of a society with unlimited liability, such nominee, heir or legal representative, as the case may be, may require payment by the society of the value of the share or interest of the deceased member ascertained as aforesaid ;
- (ii) in the case of a society with limited liability, the society shall transfer the share or interest of the deceased member to such nominee, heir or legal representative, as the case may be, being qualified in accordance with the rules and by-laws for membership of the society or on his application within one month of the death of the deceased member to any person specified in the application who is so qualified.

(2) A registered society may pay all other moneys due to the deceased member from the society to such nominee, heir or legal representative, as the case may be.

(3) All transfers and payments made by a registered society in accordance with the provisions of this section shall be valid and effectual against any demand made upon the society by any other person.

Liability of past member.

23. The liability of a past member for the debts of a registered society as they existed at the time when he ceased to be a member shall continue for a period of two years from the date of his ceasing to be a member.

Liability of the estates of deceased members.

24. The estate of a deceased member shall be liable for a period of one year from the time of his decease for the debts of a registered society as they existed at the time of his decease.

Register of members.

25. Any register or list of members or shares kept by any registered society shall be *prima facie* evidence of any of the following particulars entered therein :—

- (a) the date at which the name of any person was entered in such register or list as a member ;
- (b) the date at which any such person ceased to be a member.

26. A copy of any entry in a book of a registered society regularly kept in the course of business, shall, if certified in such manner as may be prescribed by the rules, be received, in any suit or legal proceeding, as *prima facie* evidence of the existence of such entry, and shall be admitted as evidence of the matters, transactions and accounts therein recorded in every case where, and to the same extent as, the original entry itself is admissible.

27. Nothing in section 17, sub-section (1), clauses (b) and (c), of the <sup>XVI of 1908.</sup> Indian Registration Act, 1908, shall apply to—

- (1) any instrument relating to shares in a registered society, notwithstanding that the assets of such society consist in whole or in part of immoveable property; or
- (2) any debenture issued by any such society and not creating, declaring, assigning, limiting or extinguishing any right, title or interest to or in immoveable property except in so far as it entitles the holder to the security afforded by a registered instrument whereby the society has mortgaged, conveyed or otherwise transferred the whole or part of its immoveable property or any interest therein to trustees upon trust for the benefit of the holders of such debentures; or
- (3) any endorsement upon or transfer of any debenture issued by any such society.

28. The Governor General in Council, by notification in the Gazette of India, may, in the case of any registered society or class of registered society, remit—

- (a) the income-tax payable in respect of the profits of the society, or of the dividends or other payments received by the members of the society on account of profits;<sup>2</sup>
- (b) <sup>2</sup>the stamp-duty with which, under any law for the time being in force, instruments executed by or on behalf of a registered society or by an officer or member and relating to the business of such society, or any class of such instruments, are respectively chargeable;
- (c) <sup>3</sup>any fee payable under the law of registration for the time being in force.

*Property and funds of registered societies.*

29. (1) A registered society shall not make a loan to any person other than a member:

Provided that, with the general or special sanction of the Registrar, a registered society may make loans to another registered society.

(2) Save with the sanction of the Registrar, a society with unlimited liability shall not lend money on the security of moveable property.

<sup>1</sup> Genl. Acts, Vol. VI.

<sup>2</sup> For notification see Gazette of India, 1913, Pt. I, pp. 24 and 612.

<sup>3</sup> For notification see Gazette of India, 1914, Pt. I, p. 994.

(3) The Local Government may, by general or special order, prohibit or restrict the lending of money on mortgage of immoveable property by any registered society or class of registered societies.

Restrictions  
on borrowing.

**30.** A registered society shall receive deposits and loans from persons who are not members only to such extent and under such conditions as may be prescribed by the rules or by-laws.

Restrictions  
on other  
transactions  
with non-  
members.

**31.** Save as provided in sections 29 and 30, the transactions of a registered society with persons other than members shall be subject to such prohibitions and restrictions, if any, as the Local Government may, by rules, prescribe.

Investment of  
funds.

**32.** (1) A registered society may invest or deposit its funds—

- (a) in the Government Savings Bank, or
- (b) in any of the securities specified in section 20 of the <sup>1</sup>Indian Trusts II of 1882. Act, 1882, or
- (c) in the shares or on the security of any other registered society, or
- (d) with any bank or person carrying on the business of banking, approved for this purpose by the Registrar, or
- (e) in any other mode permitted by the rules.

(2) Any investments or deposits made before the commencement of this Act which would have been valid if this Act had been in force are hereby ratified and confirmed.

Funds not to  
be divided by  
way of profit.

**33.** No part of the funds of a registered society shall be divided by way of bonus or dividend or otherwise among its members :

Provided that after at least one-fourth of the net profits in any year have been carried to a reserve fund, payments from the remainder of such profits and from any profits of past years available for distribution may be made among the members to such extent and under such conditions as may be prescribed by the rules or by-laws :

Provided also that in the case of a society with unlimited liability no distribution or profits shall be made without the general or special order of the Local Government in this behalf.

Contribution  
to charitable  
purpose.

**34.** Any registered society may, with the sanction of the Registrar, after one-fourth of the net profits in any year has been carried to a reserve fund contribute an amount not exceeding ten per cent of the remaining net profits, to any charitable purpose, as defined in section 2 of the <sup>2</sup>Charitable Endowments Act, 1890.

I of 1890.

#### *Inspection of affairs.*

Inquiry by  
Registrar.

**35.** (1) The Registrar may of his own motion, and shall on the request of the Collector, or on the application of a majority of the committee, or of not less than one-third of the members, hold an inquiry or direct some person

<sup>1</sup> Genl. Acts, Vol. III.

<sup>2</sup> Genl. Acts, Vol. IV.

authorized by him by order in writing in this behalf to hold an inquiry into the constitution, working and financial condition of a registered society.

(2) All officers and members of the society shall furnish such information in regard to the affairs of the society as the Registrar or the person authorized by the Registrar may require.

**36.** (1) The Registrar shall, on the application of a creditor of a registered society, inspect or direct some person authorized by him by order in writing in this behalf to inspect the books of the society : Inspection of books of indebted society.

Provided that—

- (a) the applicant satisfies the Registrar that the debt is a sum then due, and that he has demanded payment thereof and has not received satisfaction within a reasonable time ; and
- (b) the applicant deposits with the Registrar such sum as security for the costs of the proposed inspection as the Registrar may require.

(2) The Registrar shall communicate the results of any such inspection to the creditor.

**37.** Where an inquiry is held under section 35, or an inspection is made under section 36, the Registrar may apportion the costs, or such part of the costs as he may think right, between the society, the members or creditor demanding an inquiry or inspection, and the officers or former officers of the society. Costs of inquiry.

**38.** Any sum awarded by way of costs under section 37 may be recovered, on application to a Magistrate having jurisdiction in the place where the person from whom the money is claimable actually and voluntarily resides or carries on business, by the distress and sale of any moveable property within the limits of the jurisdiction of such Magistrate belonging to such person. Recovery of costs.

#### *Dissolution of society.*

**39.** (1) If the Registrar, after an inquiry has been held under section 35 or after an inspection has been made under section 36 or on receipt of an application made by three-fourths of the members of a registered society, is of opinion that the society ought to be dissolved, he may cancel the registration of the society. Dissolution.

(2) Any member of a society may, within two months from the date of an order made under sub-section (1), appeal from such order.

(3) Where no appeal is presented within two months from the making of an order cancelling the registration of a society, the order shall take effect on the expiry of that period.

(4) Where an appeal is presented within two months, the order shall not take effect until it is confirmed by the appellate authority.

(5) The authority to which appeals under this section shall lie shall be the Local Government :



Provided that the Local Government may, by notification<sup>1</sup> in the local official Gazette, direct that appeals shall lie to such Revenue-authority as may be specified in the notification.

Cancellation  
of registra-  
tion of  
society.

**40.** Where it is a condition of the registration of a society that it should consist of at least ten members, the Registrar may, by order in writing, cancel the registration of the society if at any time it is proved to his satisfaction that the number of the members has been reduced to less than ten.

Effect of  
cancellation  
of registra-  
tion.

**41.** Where the registration of a society is cancelled, the society shall cease to exist as a corporate body—

- (a) in the case of cancellation in accordance with the provisions of section 39, from the date the order of cancellation takes effect ;
- (b) in the case of cancellation in accordance with the provisions of section 40, from the date of the order.

Winding up.

**42.** (1) Where the registration of a society is cancelled under section 39 or section 40, the Registrar may appoint a competent person to be liquidator of the society.

(2) A liquidator appointed under sub-section (1) shall have power—

- (a) to institute and defend suits and other legal proceedings on behalf of the society by his name of office ;
- (b) to determine the contribution to be made by the members and past members of the society respectively to the assets of the society ;
- (c) to investigate all claims against the society and, subject to the provisions of this Act, to decide questions of priority arising between claimants ;
- (d) to determine by what persons and in what proportions the costs of the liquidation are to be borne : and
- (e) to give such directions in regard to the collection and distribution of the assets of the society, as may appear to him to be necessary for winding up the affairs of the society.

(3) Subject to any rules, a liquidator appointed under this section shall, in so far as such powers are necessary for carrying out the purposes of this section, have power to summon and enforce the attendance of witnesses and to compel the production of documents by the same means and (so far as may be) in the same manner as is provided in the case of a Civil Court under the <sup>2</sup>Code of Civil Procedure, 1908.<sup>3</sup>

V of 1908

(4) Where an appeal from any order made by a liquidator under this section is provided for by the rules, it shall lie to the Court of the District Judge.

<sup>1</sup> For notification by Chief Commissioner, Central Provinces, that appeals shall lie to the Financial Commissioner, see Central Provinces Gazette, 1912, Pt. I, p. 347.

For *ibid* in Madras that appeals shall lie to the Board of Revenue, see Fort St. George Gazette, 1913, Pt. I, p. 1651.

<sup>2</sup> Genl. Acts, Vol. VI.

<sup>3</sup> In its application to British Baluchistan this sub-section shall be read as if the words "or the British Baluchistan Civil Justice Regulation, 1896 as the case may be" were added, see Schedule I of Regulation II of 1913, Bal. Code.

(5) Orders made under this section shall, on application, be enforced as follows :—

- (a) when made by a liquidator, by any Civil Court having local jurisdiction in the same manner as a decree of such Court ;
- (b) when made by the Court of the District Judge on appeal, in the same manner as a decree of such Court made in any suit pending therein.

(6) Save in so far as is hereinbefore expressly provided, no Civil Court shall have any jurisdiction in respect of any matter connected with the dissolution of a registered society under this Act.

#### *Rules.*

<sup>1</sup>43. (1) The Local Government may, for the whole or any part of the Province and for any registered society or class of such societies, make rules to carry out the purposes of this Act.

(2) In particular and without prejudice to the generality of the foregoing power, such rules may—

- (a) subject to the provisions of section 5, prescribe the maximum number of shares or portion of the capital of a society which may be held by a member ;
- (b) prescribe the forms to be used and the conditions to be complied with in the making of applications for the registration of a society and the procedure in the matter of such applications ;
- (c) prescribe the matters in respect of which a society may or shall make by-laws and for the procedure to be followed in making, altering and abrogating by-laws, and the conditions to be satisfied prior to such making, alteration or abrogation ;
- (d) prescribe the conditions to be complied with by persons applying for admission or admitted as members, and provide for the election and admission of members, and the payment to be made and the interests to be acquired before the exercise of the right of membership ;
- (e) regulate the manner in which funds may be raised by means of shares or debentures or otherwise ;
- (f) provide for general meetings of the members and for the procedure at such meetings and the powers to be exercised by such meetings ;
- (g) provide for the appointment, suspension and removal of the members of the committee and other officers, and for the procedure at meetings of the committee, and for the powers to be exercised and the duties to be performed by the committee and other officers ;

<sup>1</sup> For rules by (1) the Government of the United Provinces, see United Provinces Gazette, 1913, Pt. I, p. 248 ; (2) the Government of Bengal, see Calcutta Gazette, 1903, Pt. I, p. 651, (3) the Government of Bihar and Orissa, see Bihar and Orissa Gazette, 1913, Pt. II, p. 508 ; (4) the Government of Bombay see Bombay Government Gazette, 1913, Pt. I, p. 448 ; (5) Chief Commissioner of British Baluchistan, see Gazette of India, 1914, Pt. I, p. 188.

- (h) prescribe the accounts and books to be kept by a society and provide for the audit of such accounts and the charges, if any, to be made for such audit, and for the periodical publication of a balance-sheet showing the assets and liabilities of a society ;
- (i) prescribe the returns to be submitted by a society to the Registrar and provide for the persons by whom and the form in which such returns shall be submitted ;
- (j) provide for the persons by whom and the form in which copies of entries in books of societies may be certified ;
- (k) provide for the formation and maintenance of a register of members and, where the liability of the members is limited by shares, of a register of shares ;
- (l) provide that any dispute touching the business of a society between members or past members of the society or persons claiming through a member or past member or between a member or past member or persons so claiming and the committee or any officer shall be referred to the Registrar for decision or, if he so directs, to arbitration, and prescribe the mode of appointing an arbitrator or arbitrators and the procedure to be followed in proceedings before the Registrar or such arbitrator or arbitrators, and the enforcement of the decisions of the Registrar or the awards of arbitrators ;
- (m) provide for the withdrawal and expulsion of members and for the payments, if any, to be made to members who withdraw or are expelled and for the liabilities of past members ;
- (n) provide for the mode in which the value of a deceased member's interest shall be ascertained, and for the nomination of a person to whom such interest may be paid or transferred ;
- (o) prescribe the payments to be made and the conditions to be complied with by members applying for loans, the period for which loans may be made, and the amount which may be lent, to an individual member ;
- (p) provide for the formation and maintenance of reserve funds, and the objects to which such funds may be applied, and for the investment of any funds under the control of the society ;
- (q) prescribe the extent to which a society may limit the number of its members ;
- (r) prescribe the conditions under which profits may be distributed to the members of a society with unlimited liability and the maximum rate of dividend which may be paid by societies ;
- (s) subject to the provisions of section 39, determine in what cases an appeal shall lie from the orders of the Registrar, and prescribe the procedure to be followed in presenting and disposing of such appeals ; and

(2) <sup>1</sup>prescribe the procedure to be followed by a liquidator appointed under section 42, and the cases in which an appeal shall lie from the order of such liquidator.

(3) The Local Government may delegate, subject to such conditions, if any, as it thinks fit, all or any of its powers to make rules under this section to any authority specified in the order of delegation.

(4) The power to make rules conferred by this section is subject to the condition of the rules being made after previous publication.

(5) All rules made under this section shall be published in the local official Gazette, and on such publication shall have effect as if enacted in this Act.

#### Miscellaneous.

**44.** (1) All sums due from a registered society or from an officer or member or past member of a registered society as such to the Government, including any costs awarded to the Government under section 37, may be recovered in the same manner as arrears of land-revenue. Recovery of sums due to Government.

(2) Sums due from a registered society to Government and recoverable under sub-section (1) may be recovered, firstly, from the property of the society; secondly, in the case of a society of which the liability of the members is limited, from the members subject to the limit of their liability; and, thirdly, in the case of other societies, from the members.

**45.** Notwithstanding anything contained in this Act, the Local Government may, by special order in each case and subject to such conditions, if any, as it may impose, exempt any society from any of the requirements of this Act as to registration. Power to exempt societies from conditions as to registration.

**46.** The Local Government may, by general or special order, exempt any registered society from any of the provisions of this Act or may direct that such provisions shall apply to such society with such modifications as may be specified in the order. Power to exempt registered societies from provisions of the Act.

**47.** (1) No person other than a registered society shall trade or carry on business under any name or title of which the word "co-operative" is part without the sanction of the Local Government: Prohibition of the use of the word "co-operative."

Provided that nothing in this section shall apply to the use by any person or his successor in interest of any name or title under which he traded or carried on business at the date on which this Act comes into operation.

(2) Whoever contravenes the provisions of this section shall be punishable with fine which may extend to fifty rupees, and in the case of a continuing offence with further fine of five rupees for each day on which the offence is continued after conviction therefor.

**48.** The provisions of the <sup>2</sup>Indian Companies Act, 1882, shall not apply to registered societies. Indian Companies Act, 1882, not to apply.

<sup>1</sup> For rules by the Government of Bombay, see Bombay Government Gazette, 1913, Pt. I, p. 1110.

<sup>2</sup> Genl. Acts, Vol. III, but see Act 7 of 1913, *infra*.

Saving of  
existing  
societies.

**49.** Every society now existing which has been registered under the Co-operative Credit Societies Act, 1904, shall be deemed to be registered under this Act, and its by-laws shall, so far as the same are not inconsistent with the express provisions of this Act, continue in force until altered or rescinded. X of 1904.

Repeal.

**50.** The Co-operative Credit Societies Act, 1904, is hereby repealed. X of 1904.

ACT No. III OF 1912.<sup>1</sup>

[ 1st March, 1912.]

An Act further to amend the Indian Post Office Act, 1898.

WHEREAS it is expedient further to amend the <sup>2</sup>Indian Post Office Act, VI of 1898. 1898: It is hereby enacted as follows:—

Short title.

**1.** This Act may be called the Indian Post Office (Amendment) Act, 1912.

Substitution  
of new sub-  
sections (1)  
and (2) in  
section 21 of  
Act VI of  
1898.

**2.** For sub-sections (1) and (2) of section 21 of the said Act, the following sub-sections shall be substituted, namely:—

“21. (1) The Governor General in Council may make rules as to the transmission of articles by post.

(2) In particular and without prejudice to the generality of the foregoing power, such rules may

- (a) specify articles which may not be transmitted by post;
- (b) prescribe conditions on which articles may be transmitted by post;
- (c) provide for the detention and disposal of articles in course of transmission by post in contravention of rules made under clause (a) or clause (b);
- (d) provide for the granting of receipts for, and the granting and obtaining of certificates of, posting and delivery of postal articles and the sums to be paid, in addition to any other postage, for such receipts and certificates; and
- (e) regulate covers, forms, dimensions, maximum weights, and enclosures, and the use of postal articles, other than letters, for making communications.”

Amendment  
of section 23  
of same Act.

**3.** (1) In section 23, sub-section (2), of the said Act, after the words “in contravention of” the words and figures “section 20, clause (a), or of” shall be inserted.

<sup>1</sup> For Statement of Objects and Reasons, see Gazette of India, 1911, Pt. V, p. 151; for Report of Select Committee, see *ibid*, 1912: Pt. V, p. 19; and for Proceedings in Council, see *ibid*, 1911, Pt. VI, p. 656 and *ibid*, 1912, Pt. VI, pp. 4, 31 and 259.

<sup>2</sup> Genl. Acts, Vol. V.

(2) In sub-section (3) of the same section of the said Act, for clause (b) the following shall be substituted, namely :—

- “(b) any postal article sent by post in contravention of the provisions of section 20 may be disposed of in such manner as the Governor General in Council may by rule direct.”

4. In section 24 of the said Act, for the words “Where a postal article suspected to contain any contraband goods” the words “Except as otherwise provided in this Act, where a postal article suspected to contain any goods of which the import by post or the transmission by post is prohibited by or under any enactment for the time being in force” shall be substituted. Amendment of section 24 of same Act.

5. In section 25 of the said Act, for the words “all such goods found” the words “all postal articles reasonably believed or found to contain such goods” shall be substituted; and to the same section the following shall be added, namely :— Amendment of, and addition to, section 25 of same Act.

“In carrying out any such search, such officer of the Post Office may open or unfasten, or cause to be opened or unfastened, any newspaper or any book, pattern or sample packet in course of transmission by post.”

6. In section 26, sub-section (1), of the said Act, for the words “shall be delivered to the Government or to an officer thereof mentioned in the order, to be disposed of in such manner as the Governor General in Council may direct” the following shall be substituted, namely :— Amendment of section 26 (1) of same Act.

“shall be disposed of in such manner as the authority issuing the order may direct.”

7. (1) In section 35, sub-section (2), of the said Act, at the end of clause (c) the word “and” shall be omitted, and after clause (d) the following shall be added, namely :— Amendment of section 35 of same Act.

“(e) provide for the retention and repayment to the addressee in cases of fraud of money recovered on the delivery of any value-payable postal article; and

(f) prescribe the fees to be charged for inquiries into complaints regarding the delivery of or payment for value-payable postal articles.”

(2) After sub-section (3) of the same section, the following shall be added, namely :—

“(4) No suit or other legal proceeding shall be instituted against the Secretary of State for India in Council or any officer of the Post Office in respect of anything done, or in good faith purporting to be done, under any rule made under clause (e) of sub-section (2).”

8. To section 48 of the said Act, the following shall be added, namely :— Addition to section 48 of same Act.

“or

(e) any wrong payment or delay in payment of a money order beyond the limits of British India, by an officer of any post office, not being one established by the Governor General in Council.”

## THE INDIAN LUNACY ACT, 1912 (IV OF 1912).

## CONTENTS.

**PART I.  
PRELIMINARY.**

## CHAPTER I.

## SECTIONS.

1. Short title and extent.
2. Savings.
3. Definitions.

**PART II.  
RECEPTION, CARE AND TREATMENT OF LUNATICS.**

## CHAPTER II.

## RECEPTION OF LUNATICS.

1. Reception of persons in asylum.

*Reception orders on petition.*

5. Application for reception order.
6. Application by whom to be presented.
7. Procedure upon petition for reception order.
8. Detention of alleged lunatic pending inquiry.
9. Consideration of petition.
10. Order.
11. Further provisions as to reception orders on petition.

*Reception orders otherwise than on petition.*

12. Reception order in case of lunatic soldier.
13. Powers and duties of police in respect of wandering or dangerous lunatics and lunatics cruelly treated or not under proper care and control.
14. Reception order in case of wandering and dangerous lunatics.

## SECTIONS.

15. Order in case of lunatic cruelly treated or not under proper care and control.
16. Detention of alleged lunatic pending report by medical officer.
17. Commissioner of Police, etc., to act in the Presidency-town.

*Further provisions as to reception orders and medical certificates.*

18. Medical certificates.
19. Time and manner of medical examination of lunatic.
20. Authority for reception.
21. Copy of reception order to be sent to person in charge of asylum.
22. Restriction as to asylums into which reception orders may direct admission.

*Detention of lunatics pending removal to asylum.*

23. Detention of lunatics pending removal to asylum.

*Reception and detention of criminal lunatics.*

24. Reception and detention of criminal lunatics.

*Reception after inquisition.*

25. Reception after inquisition.
26. Order for payment of cost of maintenance of lunatic.

*Amendment of order or certificate.*

27. Amendment of order or certificate.

## CHAPTER III.

## CARE AND TREATMENT.

*Visitors*

28. Appointment of visitors.
29. Monthly inspection by visitors.
30. Inspection of criminal lunatics by Inspector General or visitors.

*Discharge of lunatics.*

31. Order of discharge from asylum by visitors.
32. Discharge of lunatics in other cases and of European military lunatics.



## SECTIONS.

- 33. Order of discharge on undertaking of relative for due care of the lunatic.
- 34. Discharge of person subsequently found on inquisition not to be of unsound mind.

*Removal of lunatics.*

- 35. Removal of lunatics and of criminal lunatics.

*Escape and re-capture.*

- 36. Order to justify detention and re-capture after escape.

---

**PART III.****JUDICIAL INQUISITION AS TO LUNACY.**

---

**CHAPTER IV.****PROCEEDINGS IN LUNACY IN PRESIDENCY-TOWNS.***Inquisition.*

- 37. Jurisdiction in lunacy in Presidency-towns.
- 38. Court may order inquisition as to persons alleged to be insane.
- 39. Application by whom to be made.
- 40. Notice of time and of place of inquisition.
- 41. Powers of Court in respect of attendance and examination of lunatic.
- 42. Rules respecting attendance and examination of females alleged to be lunatic.
- 43. Power to direct District Court to make inquisition in certain cases.
- 44. Amendment of finding of District Court if defective or insufficient in form.
- 45. Proceedings on finding of Court.

*Judicial powers over person and estate of lunatic.*

- 46. Custody of lunatics and management of their estates.
- 47. Powers of manager in respect of management of lunatic's estate.
- 48. Power to make order concerning any matter connected with the lunacy.

*Management and administration.*

- 49. Power to dispose of lunatic's property for certain purposes.

## SECTIONS.

50. Execution of conveyances and powers by manager under order of Court.
51. Court may order performance of contract.
52. Dissolution and disposal of property of partnership on a member becoming lunatic.
53. Disposal of business premises.
54. Manager may dispose of lease.
55. Assumption of charge by Court of Wards of land belonging to a lunatic in certain cases.
56. Power to apply property for lunatic's maintenance without appointing manager in certain cases.

*Vesting orders.*

57. Power to order transfer of stock belonging to lunatic in certain cases.
58. Power to order transfer of stock of lunatic residing out of British India and the United Kingdom.

*General.*

59. Power to apply property for lunatic's maintenance in case of temporary lunacy.
60. Proceedings in lunacy to cease or to be set aside if Court finds that the unsoundness of mind has ceased.
61. Power of Court to make rules.

## CHAPTER V.

## PROCEEDINGS IN LUNACY OUTSIDE PRESIDENCY-TOWNS.

*Inquisition.*

62. Power of District Court to institute inquisition as to persons alleged to be lunatic.
63. Application by whom to be made.
64. Regulations of Proceedings of District Courts.
65. Inquisition by District Court and finding thereon.
66. Inquisition by subordinate Court on commission issued by District Court, and proceedings thereon.

*Judicial powers over person and estate of lunatic.*

67. Custody of lunatics and management of their estates.
68. Court of Wards to be authorised in certain cases to take charge of estate of lunatic.
69. Power to direct Collector to take charge of person and estate of lunatic in certain cases.

## SECTIONS.

70. Control over proceedings of Collector.
  71. Power of District Court to appoint guardian and manager and take security from manager.
  72. Restriction on appointment of legal heir of lunatic to be guardian of his person.
  73. Remuneration of managers and guardians.
  74. Duties of guardian.
  75. Powers of manager.
  76. Manager to furnish inventory and annual accounts.
  77. Proceedings if accuracy of inventory or accounts is impugned.
  78. Payment into public treasury and investment of proceeds of estate.
  79. Relative may sue for an account.
  80. Removal of manager or guardian.
  81. Penalty on manager for refusing to deliver accounts or property.
  82. Proceedings in lunacy to cease or to be set aside if Court finds that the unsoundness of mind has ceased.
  83. Appeals.
- 

**PART IV.****MISCELLANEOUS.**

---

**CHAPTER VI.****ESTABLISHMENT OF ASYLUMS.**

84. Local Government may establish or license the establishment of asylums.
  85. Provision for admission of lunatics in asylums outside a Province.
- 

**CHAPTER VII.****EXPENSES OF LUNATICS.**

86. Payment of cost of maintenance in licensed asylum in certain cases by Government.
87. Application of property in the possession of a lunatic found wandering.
88. Application to Civil Court for order for the payment of cost of maintenance out of the lunatic's estate, or by person bound to maintain him.
89. Order of Court and enforcement thereof.
90. Saving of liability of relatives to maintain lunatic.

## CHAPTER VIII.

## RULES.

## SECTIONS.

- 91. Power of Local Government to make rules.
- 92. Publication of rules.

## CHAPTER IX.

## SUPPLEMENTAL PROVISIONS.

- 93. Penalty for improper reception or detention of lunatic.
- 94. Provision as to bonds.
- 95. Pension of lunatic payable by Government.
- 96. Use of forms in Schedule.
- 97. Protection to persons acting under Act.
- 98. Power to give effect to warrants and orders of certain Courts outside British India.
- 99. Power to make rules for reception of lunatics received from outside British India.
- 100. Orders under repealed Acts.
- 101. Repeal of enactments.

## SCHEDULE I.—FORMS.

## SCHEDULE II.—ENACTMENTS REPEALED.

ACT NO. IV OF 1912.<sup>1</sup>

[16th March, 1912.]

An Act to consolidate and amend the law relating to Lunacy.

WHEREAS it is expedient to consolidate and amend the law relating to lunacy; It is hereby enacted as follows :—

## PART I.

## PRELIMINARY.

## CHAPTER I.

- 1. (1) This Act may be called the Indian Lunacy Act, 1912.
- (2) It extends to the whole of British India, including British Baluchistan, the Santhal Parganas, and the Pargana of Spiti.

Short title  
and extent

<sup>1</sup> For Statement of Objects and Reasons, see Gazette of India, 1911, Pt. V, p. 147; for Report of Select Committee, see *ibid.* 1912, Pt. V, p. 57; and for Proceedings in Council, see *ibid.* 1911, Pt. VI, p. 655 and *ibid.* 1912, Pt. VI, pp. 3, 30, 187 and 454.

This Act except Chapter IV has been declared in force in the Angul District by the Angul Laws Regulation, 1913 (3 of 1913), s. 3, see B. & O. Code.

Savings.

2. Nothing contained in Part II shall be deemed to affect the powers of any High Court which is or hereafter may be established under the Indian<sup>1</sup> High Courts Acts, 1861 to 1911, over any person found to be a lunatic by inquisition or over the property of such lunatic, or the rights of any person appointed by such Court as guardian of the person or manager of the estate of such lunatic.

<sup>24 & 25 Vict., c. 104, to 1 & 2 Geo. 5, c. 18.</sup>

Definitions.

3. In this Act, unless there is anything repugnant in the subject or context,—

(1) “asylum” means an asylum for lunatics established or licensed by Government :

(2) “cost of maintenance” in an asylum includes the cost of lodging, maintenance, clothing, medicine and care of a lunatic and any expenditure incurred in removing such lunatic to and from an asylum :

(3) “District Court” means the principal Civil Court of original jurisdiction in any area outside the local limits for the time being of the Presidency towns :

(4) “criminal lunatic” means any person for whose confinement in, or removal to an asylum, jail or other place of safe custody an order has been made in accordance with the provisions of section 466 or section 471 of the <sup>2</sup>Code of Criminal Procedure, 1898, or of section 30 of the <sup>2</sup>Prisoners Act, 1900 :

<sup>V of 1898, III of 1900.</sup>

(5) “lunatic” means an idiot or person of unsound mind :

(6) “Magistrate” means a Presidency Magistrate, District Magistrate, Sub-Divisional Magistrate or a Magistrate of the first class specially empowered by the Local Government to perform the functions of a Magistrate under this Act :

(7) “medical officer” means a gazetted medical officer of Government, and includes a medical practitioner declared by general or special order of the Local Government to be a medical <sup>3</sup> officer for the purposes of this Act :

(8) “medical practitioner” means a holder of a qualification to practise medicine and surgery which can be registered in the United Kingdom in accordance with the law for the time being in force for the registration of medical practitioners, and includes any person declared by general or special order of the Local Government to be a medical <sup>4</sup> practitioner for the purposes of this Act :

(9) “prescribed” means prescribed by this Act or by rule made thereunder :

(10) “reception order” means an order made under the provisions of this Act for the reception into an asylum of a lunatic other than a lunatic so found by inquisition :

<sup>1</sup> Coll. Stats.

<sup>2</sup> Genl. Acts., Vol. V.

<sup>3</sup> For notification by the Government of Madras see Fort St. George Gazette, 1915, Pt. I, p. 1368.

<sup>4</sup> For notification by the Government of Madras see Fort St. George Gazette, 1913, Part I, p. 1359.

(11) "relative" includes any person related by blood, marriage or adoption : and

(12) "rule" means a rule made under this Act.

## PART II.

### RECEPTION, CARE AND TREATMENT OF LUNATICS.

#### CHAPTER II.

##### RECEPTION OF LUNATICS.

4. (1) No person other than a criminal lunatic or a lunatic so found by inquisition shall be received or detained in an asylum without a reception order save as provided by sections 8, 16 and 98 : Reception of persons in asylum.

Provided that any person in charge of an asylum may, with the consent of two of the visitors of such asylum, which consent shall not be given except upon a written application from the intending boarder, receive and lodge as a boarder in such asylum any person who is desirous of submitting himself to treatment.

(2) A boarder received in an asylum under the proviso to sub-section (1) shall not be detained in the asylum for more than twenty-four hours after he has given to the person in charge of the asylum notice in writing of his desire to leave such asylum.

##### *Reception orders on petition.*

5. (1) An application for a reception order shall be made by petition accompanied by a statement of particulars to the Magistrate within the local limits of whose jurisdiction the alleged lunatic ordinarily resides, shall be in the form prescribed and shall be supported by two medical certificates on separate sheets of paper, one of which certificates shall be from a medical officer. Application for reception order.

(2) If either of the medical certificates is signed by any relative, partner or assistant of the lunatic or of the petitioner, the petition shall state the fact and, where the person signing is a relative, the exact manner in which he is related to the lunatic or petitioner.

(3) The petition shall also state whether any previous application has been presented for an inquiry into the mental capacity of the alleged lunatic in any Court ; and if such application has been made, a certified copy of the order made thereon shall be attached to the petition.

(4) No application for a reception order shall be entertained in any area outside the Presidency-towns unless the Local Government has, by

<sup>1</sup> For such a notification by the Government of Bengal see Calcutta Gazette, 1912, Part I, p. 163.

For ditto by Bihar and Orissa see Bihar and Orissa Gazette, 1913, Part II, p. 1392.

notification in the local official Gazette, declared such area as an area in which reception orders may be made.

Application  
by whom to  
be presented.

6. (1) The petition shall be presented, if possible, by—

- (a) the husband or wife of the alleged lunatic, or
- (b) by any other relative of his.

(2) If the petition is not so presented, it shall contain a statement of the reasons why it is not so presented, and of the connection of the petitioner with the alleged lunatic, and the circumstances under which he presents the petition.

(3) No person shall present a petition unless he has attained the age of majority as determined by the law to which he is subject, and has within fourteen days before the presentation of the petition, personally seen the said lunatic.

(4) The petition shall be signed and verified by the petitioner, and the statement of prescribed particulars by the person making such statement.

Procedure  
upon petition  
for reception  
order.

7. (1) Upon the presentation of the petition the Magistrate shall consider the allegations in the petition and the evidence of lunacy appearing by the medical certificates.

(2) If he considers that there are grounds for proceeding further, he shall personally examine the alleged lunatic for reasons to be recorded in writing he thinks it unnecessary or inexpedient so to do.

(3) If he is satisfied that a reception order may properly be made forthwith, he may make the same accordingly.

(4) If he is not so satisfied, he shall fix a date (notice whereof shall be given to the petitioner and to any other person to whom in the opinion of the Magistrate notice should be given) for the consideration of the petition, and he may make such further or other inquiries of or concerning the alleged lunatic as he thinks fit.

Detention of  
alleged  
lunatic pend-  
ing inquiry.

8. Upon the presentation of the petition, the Magistrate may make such order as he thinks fit for the suitable custody of the alleged lunatic pending the conclusion of the inquiry.

Consideration  
of petition.

9. The petition shall be considered in private in the presence of the petitioner, the alleged lunatic (unless the Magistrate in his discretion otherwise directs), any person appointed by the alleged lunatic to represent him and such other persons as the Magistrate thinks fit.

Order.

10. (1) At the time appointed for the consideration of the petition, the Magistrate may either make a reception order or dismiss the petition, or may adjourn the same for further evidence or inquiry, and may make such order as to the payment of the costs of the inquiry by the person upon whose application it was made, or out of the estate of the alleged lunatic if found to be of unsound mind, or otherwise as he thinks fit.

(2) If the petition is dismissed, the Magistrate shall record in writing his reasons for dismissing the same, and shall deliver or cause to be delivered to the petitioner a copy of such order.

**11.** No reception order shall be made under section 7 or section 10, save Further provisions as to reception orders on petition. in the case of a lunatic who is dangerous and unfit to be at large, unless—

- (a) the Magistrate is satisfied that the person in charge of an asylum is willing to receive the lunatic, and
- (b) the petitioner or some other person engages in writing to the satisfaction of the Magistrate to pay the cost of maintenance of the lunatic.

*Reception orders otherwise than on petition.*

44 & 45  
Vict., c. 59.

**12.** When any European who is subject to the provisions of the <sup>1</sup>Army Act has been declared a lunatic in accordance with the provisions of the military regulations in force for the time being, and it appears to any administrative medical officer that he should be removed to an asylum, such administrative medical officer may, if he thinks fit, make a reception order under his hand for the admission of the said lunatic into any asylum which has been duly authorized for the purpose by the Governor General in <sup>2</sup>Council. Reception order in case of lunatic soldier.

**13.** (1) Every officer in charge of a police-station may arrest or cause to be arrested all persons found wandering at large within the limits of his station whom he has reason to believe to be lunatics, and shall arrest or cause to be arrested all persons within the limits of his station whom he has reason to believe to be dangerous by reason of lunacy. Any person so arrested shall be taken forthwith before the Magistrate. Powers and duties of police in respect of wandering or dangerous lunatics and lunatics cruelly treated or not under proper care and control.

(2) Every officer in charge of a police-station who has reason to believe that any person within the limits of his station is deemed to be a lunatic and is not under proper care and control, or is cruelly treated or neglected by any relative or other person having the charge of him, shall immediately report the fact to the Magistrate.

**14.** Whenever any person is brought before a Magistrate under the provisions of sub-section (1) of section 13, the Magistrate shall examine such person, and if he thinks that there are grounds for proceeding further, shall cause him to be examined by a medical officer, and may make such other inquiries as he thinks fit; and if the Magistrate is satisfied that such person is a lunatic and a proper person to be detained, he may, if the medical officer who has examined such person gives a medical certificate with regard to such person, make a reception order for the admission of such lunatic into an asylum: Reception order in case of wandering and dangerous lunatics.

Provided that, if any friend or relative desires that the lunatic be sent to a licensed asylum and engages in writing to the satisfaction of the Magistrate to pay the cost of maintenance of the lunatic in such asylum, the Magistrate shall, if the person in charge of such asylum consents, make a reception order for the admission of the lunatic into the licensed asylum mentioned in the engagement:

<sup>1</sup> Coll. Stats., Vol. I.

<sup>2</sup> For such a notification see Gazette of India, 1913, Part I, p. 1323.



Provided further that if any friend or relative of the lunatic enters into a bond with or without sureties for such sum of money as the Magistrate thinks fit, conditioned that such lunatic shall be properly taken care of, and shall be prevented from doing injury to himself or to others, the Magistrate, instead of making a reception order, may, if he thinks fit, make him over to the care of such friend or relative.

Order in case of lunatic cruelly treated or not under proper care and control.

15. (1) If it appears to the Magistrate, on the report of a police-officer or the information of any other person, that any person within the limits of his jurisdiction deemed to be a lunatic is not under proper care and control or is cruelly treated or neglected by any relative or other person having the charge of him, the Magistrate may cause the alleged lunatic to be produced before him, and summon such relative or other person as has or ought to have the charge of him.

(2) If such relative or other person is legally bound to maintain the alleged lunatic, the Magistrate may make an order for such alleged lunatic being properly cared for and treated, and, if such relative or other person wilfully neglects to comply with the said order, the Magistrate may sentence him to imprisonment for a term which may extend to one month.

(3) If there is no person legally bound to maintain the alleged lunatic, or if the Magistrate thinks fit so to do, he may proceed as prescribed in section 14, and upon being satisfied in manner aforesaid that the person deemed to be a lunatic is a lunatic and a proper person to be detained under care and treatment may, if a medical officer gives a medical certificate with regard to such lunatic, make a reception order for the admission of such lunatic into an asylum.

Detention of alleged lunatic pending report by medical officer.

16. (1) When any person alleged to be a lunatic is brought before a Magistrate under the provisions of section 13 or section 15, the Magistrate may, by an order in writing, authorize the detention of the alleged lunatic in suitable custody for such time not exceeding ten days as may be, in his opinion, necessary to enable the medical officer to determine whether such alleged lunatic is a person in respect of whom a medical certificate may be properly given.

(2) The Magistrate may, from time to time, for the same purpose by order in writing, authorize such further detention of the alleged lunatic for periods not exceeding ten days at a time as he thinks necessary :

Provided that no person shall be detained in accordance with the provisions of this section for a total period exceeding thirty days from the date on which he was first brought before the Magistrate.

Commissioner of Police, etc., to act in the Presidency-town.

17. All acts which the Magistrate is authorized or required to do by sections 14, 15 or 16 may be done in the Presidency-towns or Rangoon by the Commissioner of Police ; and all duties which an officer in charge of a police-station is authorized or required to perform may be performed in any of the Presidency-towns by an officer of the police force not below the rank of an inspector.

*Further provisions as to reception orders and medical certificates.*

18. (1) Every medical certificate under this Act shall be made and signed by a medical practitioner or a medical officer, as the case may be, and shall be in the form prescribed. Medical certificates.

(2) Every medical certificate shall state the facts upon which the person certifying has formed his opinion that the alleged lunatic is a lunatic, distinguishing facts observed by himself from facts communicated by others; and no reception order on petition shall be made upon a certificate founded only upon facts communicated by others.

(3) Every medical certificate made under this Act shall be evidence of the facts therein appearing and of the judgment therein stated to have been formed by the person certifying on such facts, as if the matters therein appearing had been verified on oath.

19. (1) A reception order required to be founded on a medical certificate shall not be made unless the person who signs the medical certificate, or, where two certificates are required, each person who signs a certificate has personally examined the alleged lunatic, in the case of an order upon petition, not more than seven clear days before the date of the presentation of the petition, and, in all other cases not more than seven clear days before the date of the order. Time and manner of medical examination of lunatic.

(2) Where two medical certificates are required, a reception order shall not be made unless each person signing a certificate has examined the alleged lunatic separately from the other.

20. A reception order, if the same appears to be in conformity with this Act, shall be sufficient authority for the petitioner or any person authorized by him, or in the case of an order not made upon petition, for the person authorised so to do by the person making the order, to take the lunatic and convey him to the place mentioned in such order and for his reception and detention therein, or in any asylum to which he may be removed in accordance with the provisions of this Act, and the order may be acted on without further evidence of the signature or of the jurisdiction of the person making the order. Authority for reception.

21. Any authority making a reception order under this Part shall forthwith send a certified copy of the order to the person in charge of the asylum into which such lunatic is to be admitted. Copy of reception order to be sent to person in charge of asylum.

22. Subject to the provisions of section 85, no Magistrate shall make a reception order for the admission of any lunatic into any asylum established by Government outside the province in which the Magistrate exercises jurisdiction. Restriction as to asylums into which reception orders may direct admission.

*Detention of lunatics pending removal to asylum.*

23. When any reception order has been made under sections 7, 10, 14 or 15, the Magistrate may, for reasons to be recorded in writing, direct that Detention of lunatics pending.

removal to  
asylum. the lunatic, pending his removal to an asylum, be detained in suitable custody in such place as the Magistrate thinks fit.

*Reception and detention of criminal lunatics.*

Reception  
and detention  
of criminal  
lunatics.

24. An order under section 466 or section 471 of the <sup>1</sup>Code of Criminal Procedure, 1898, or under section 30 of the <sup>1</sup>Prisoners Act, 1900, directing the reception of a criminal lunatic into any asylum which is prescribed for the reception of criminal lunatics shall be sufficient authority for the reception and detention of any person named therein in such asylum or in any other asylum to which he may be lawfully transferred.

V of 1898.  
III of 1900.

*Reception after inquisition.*

Reception  
after inquisi-  
tion.

25. A lunatic so found by inquisition may be admitted into an asylum —  
(1) in the case of an inquisition under Chapter IV, on an order made by, or under the authority of, the High Court ;  
(2) in the case of an inquisition under Chapter V, on an order made by the District Court.

Order for  
payment of  
cost of main-  
tenance of  
lunatics.

26. (1) When any lunatic has been admitted into an asylum in accordance with the provisions of section 25, the High Court or the District Court, as the case may be, shall, on the application of the person in charge of the asylum, make an order for the payment of the cost of maintenance of the lunatic in the asylum, and may from time to time direct that any sum of money payable under such order shall be recovered from the estate of the lunatic or of any person legally bound to maintain him :

Provided that if at any time it shall appear to the satisfaction of the Court that the lunatic has not sufficient property, and that no person legally bound to maintain such lunatic has sufficient means for the payment of such cost, the Court shall certify the same instead of making such order for the payment of the cost as aforesaid.

(2) An order under sub-section (1) shall be enforced in the same manner and shall be of the same force and effect and subject to the same appeal as a decree made by the Court in a suit in respect of the property or person therein mentioned.

*Amendment of order or certificate.*

Amendment  
of order or  
certificate.

27. If, after the reception of any lunatic into any asylum on a reception order, it appears that the order upon which he was received or the medical certificate or certificates upon which such order was made is or are defective or incorrect, the same may at any time afterwards be amended by the person or persons signing the same with the sanction of two or more of the visitors of the said asylum, one of whom shall be a medical officer.

## CHAPTER III.

## CARE AND TREATMENT.

*Visitors.*

28. (1) The Local Government shall appoint for every asylum not less than three visitors, one of whom at least shall be a medical officer. Appointment of visitors.

(2) The Inspector-General of Prisons (where such office exists) shall be a visitor *ex-officio* of all the asylums within the limits of his jurisdiction.

29. Two or more of the visitors, one of whom shall be a medical officer, shall, once at least in every month, together inspect every part of the asylum of which they are visitors, and see and examine, as far as circumstances will permit, every lunatic and boarder therein, and the order and certificate for the admission of every lunatic admitted since the last visitation of the visitors, and shall enter in a book to be kept for that purpose any remarks which they may deem proper in regard to the management and condition of the asylum and the inmates thereof. Monthly inspection by visitors.

30. (1) When any person is confined under the provisions of section 466 or section 471 of the <sup>1</sup>Code of Criminal Procedure, 1898, the Inspector-General of Prisons, if such person is confined in a jail or the visitors of the asylum or any two of them, if he is confined in an asylum, may visit him in order to ascertain his state of mind; and he shall be visited once at least in every six months by such Inspector-General or by two of such visitors as aforesaid; and such Inspector-General or visitors shall make a special report as to the state of mind of such person to the authority under whose order he is confined. Inspection of criminal lunatics by Inspector-General or visitors.

(2) The Local Government may empower the officer in charge of the jail in which such person may be confined to discharge all or any of the functions of the Inspector-General under sub-section (1).

*Discharge of lunatics.*

31. (1) Three of the visitors of any asylum, of whom one shall be a medical officer, may, by order in writing, direct the discharge of any person detained in such asylum, and such person shall thereupon be discharged: Order of discharge from asylum by visitors.

Provided that no order under this sub-section shall be made in the case of a person detained under a reception order under section 12, or, in the case of a criminal lunatic, otherwise than as provided by section 30 of the <sup>1</sup>Prisoners Act, 1900. III of 1900.

(2) When such order is made, if the person is detained under the order of any public authority, notice of the order of discharge shall be immediately communicated to such authority.

Discharge of lunatics in other cases and of European military lunatics.

**32.** (1) A lunatic detained in an asylum under a reception order, made on petition, shall be discharged if the person on whose petition the reception order was made so applies in writing to the person in charge of the asylum :

Provided that no lunatic shall be discharged under the provisions of subsection (1) if the officer in charge of the asylum certifies in writing that the lunatic is dangerous and unfit to be at large.

(2) A person detained in an asylum under a reception order made under section 12 shall be detained therein until he is discharged therefrom in accordance with the military regulations in force for the time being, or until the officer making the order applies for his transfer to the military authorities in view to his removal to England.

(3) Whenever it appears to the officer in charge of an asylum that the discharge of a person therein detained under an order made under section 12 is necessary either on account of his recovery, or for any other purpose, such person shall be brought before the visitors of the asylum, and on the visitors recording their opinion that the discharge should be made, the General or other Officer Commanding the division, district, brigade, or force, or other officer authorized to order the admission of such persons into an asylum, shall forthwith direct him to be discharged, and such discharge shall take place in accordance with the military regulations in force for the time being.

Order of discharge on undertaking of relative for due care of the lunatic.

**33.** When any relative or friend of a lunatic detained in any asylum under the provisions of sections 14, 15 or 17 is desirous that such lunatic shall be delivered over to his care and custody, he may make application to the authority under whose order the lunatic is detained, and such authority, if it thinks fit, in consultation with the person in charge of the asylum and with the visitors or with one of them being a medical officer, and upon such relative or friend entering into a bond with or without sureties for such sum of money as the said authority thinks fit conditioned that such lunatic shall be properly taken care of and shall be prevented from doing injury to himself or to others, may make an order for the discharge of such lunatic, and such lunatic shall thereupon be discharged.

Discharge of person subsequently found on inquisition not to be of unsound mind.

**34.** If any lunatic detained in an asylum on a reception order made under sections 7, 10, 14, 15 or 17 is subsequently found on an inquisition under Chapter IV or Chapter V not to be of unsound mind and incapable of managing himself and his affairs, the person in charge of the asylum shall forthwith, on the production of a certified copy of such finding, discharge the alleged lunatic from the asylum.

#### *Removal of lunatics.*

Removal of lunatics and criminal lunatics.

**35.** (1) Any lunatic may be removed from any asylum established by Government, to any other asylum within the province in accordance with any general or special order of the Local Government, and to any other asylum in any part of British India in accordance with any general or special order of the Governor General in Council :

Provided that no lunatic admitted into an asylum on a reception order made on petition shall be removed in accordance with the provisions of this sub-section until notice of such intended removal has been given to the petitioner.

V of 1898

(2) The Governor General in Council may make such general or special order as he thinks fit directing the removal of any person for whose confinement an order has been made under section 466 or section 471 of the Code of Criminal Procedure, 1898, from the place where he is for the time being confined, to any asylum, jail or other place of safe custody in British India.

*Escape and re-capture.*

**36.** Every person received into an asylum under any such order as is required by this Act, may be detained therein until he is removed or discharged as authorized by law, and in case of escape may, by virtue of such order, be re-taken by any police-officer or by the person in charge of such asylum, or any officer or servant belonging thereto, or any other person authorized in that behalf by the said person in charge, and conveyed to and received and detained in such asylum :

Order to  
justify  
detention  
and re-  
capture after  
escape.

Provided that in the case of a lunatic not being a criminal lunatic or a lunatic in respect of whom a reception order has been made under section 12, the power to re-take such escaped lunatic under this section shall be exercisable only for a period of one month from the date of his escape.

### PART III.

#### JUDICIAL INQUISITION AS TO LUNACY.

##### CHAPTER IV.

##### PROCEEDINGS IN LUNACY IN PRESIDENCY-TOWNS.

*Inquisition.*

**37.** The Courts having jurisdiction under this Chapter shall be the High Courts of Judicature at Fort William, Madras and Bombay.

Jurisdiction  
in lunacy in  
Presidency-  
towns.

**38.** (1) The Court may upon application by order direct an inquisition whether a person subject to the jurisdiction of the Court who is alleged to be lunatic, is of unsound mind and incapable of managing himself and his affairs.

Court may  
order inquisi-  
tion as to  
persons  
alleged to  
be insane.

(2) Such order may also contain directions for inquiries concerning the nature of the property belonging to the alleged lunatic, the persons who are

his relatives, the time during which he has been of unsound mind, or such other matters as to the Court may seem proper.

Application  
by whom to  
be made.  
Notice of  
time and  
place of  
inquisition.

**39.** Application for such inquisition may be made by any relative of the alleged lunatic, or by the Advocate-General.

**40.** (1) Notice shall be given to the alleged lunatic of the time and place at which it is proposed to hold the inquisition.

(2) If it appears that personal service on the alleged lunatic would be ineffectual, the Court may direct such substituted service of the notice as it thinks fit.

(3) The Court may also direct a copy of such notice to be served upon any relative of the alleged lunatic and upon any other person to whom in the opinion of the Court notice of the application should be given.

Powers of  
Court in  
respect of  
attendance  
and examin-  
ation of  
lunatic.

**41.** (1) The Court may require the alleged lunatic to attend at such convenient time and place as it may appoint for the purpose of being personally examined by the Court, or by any person from whom the Court may desire to have a report of the mental capacity and condition of such alleged lunatic.

(2) The Court may likewise make an order authorizing any person or persons therein named to have access to the alleged lunatic for the purpose of a personal examination.

Rules res-  
pecting  
attendance  
and  
examination  
of females  
alleged to be  
lunatic.  
Power to  
direct Dis-  
trict Court  
to make in-  
quisition in  
certain cases.

**42.** The attendance and examination of the alleged lunatic under the provisions of section 41 shall, if the alleged lunatic be a woman who, according to the manners and customs of the country, ought not to be compelled to appear in public, be regulated by the law and practice for the examination of such persons in other civil cases.

**43.** (1) If the alleged lunatic is not within the local limits of the jurisdiction of the Court, and the inquisition cannot conveniently be made in the manner hereinbefore provided, the Court may direct the inquisition to be made before the District Court within whose local jurisdiction the alleged lunatic may be; and such District Court shall accordingly proceed to make such inquisition in the same manner as if the alleged lunatic were subject to its jurisdiction, and shall certify its finding upon the matters of inquisition to the Court directing the inquisition.

(2) The record of evidence taken upon the inquisition shall be transmitted, together with any remarks the Court may think fit to make thereon, to the Court by which the inquisition was directed.

Amendment  
of finding of  
District  
Court if  
defective or  
insufficient  
in form.  
Proceedings  
on finding of  
Court.

**44.** If the finding of the District Court appears to the Court directing the inquisition to be defective or insufficient in point of form, it may either amend the same or refer it back to the Court which made the inquisition to be amended.

**45.** The finding of the Court on the inquisition or the finding of the District Court to which the inquisition may have been referred under the provisions of section 43 with such amendments as may be made under the provisions of section 44, as the case may be, shall have the same effect, and

XXXIV of  
1858.

be proceeded on in the same manner in regard to the appointment of a guardian of the person and a manager of the estate of the lunatic as the findings referred to in section 12 of the Lunacy (Supreme Courts) Act, 1858, immediately before the commencement of this Act.

*Judicial powers over person and estate of lunatic.*

**46.** (1) The Court may make orders for the custody of lunatics so found by inquisition and the management of their estates. Custody of lunatics and management of their estates.

(2) When upon the inquisition it is specially found that the person to whom the inquisition relates is of unsound mind so as to be incapable of managing his affairs, but that he is capable of managing himself, and is not dangerous to himself or to others, the Court may make such orders as it thinks fit for the management of the estate of the lunatic including proper provision for the maintenance of the lunatic and of such members of his family as are dependent on him for maintenance, but it shall not be necessary to make any order as to the custody of the person of the lunatic.

**47.** The Court, on the appointment of a manager of the estate of a lunatic, may direct by the order of appointment, or by any subsequent order, that such manager shall have such powers for the management of the estate as to the Court may seem necessary and proper, reference being had to the nature of the property, whether moveable or immoveable, of which the estate may consist : Powers of manager in respect of management of lunatic's estate.

Provided that no manager so appointed shall without the permission of the Court—

- (a) mortgage, charge or transfer by sale, gift, exchange or otherwise, any immoveable property of the lunatic ; or
- (b) lease any such property for a term exceeding five years.

Such permission may be granted subject to any condition or restriction which the Court thinks fit to impose.

**48.** The Court may, on application made to it by petition concerning any matter whatsoever connected with the lunatic or his estate, make such order, subject to the provisions of this Chapter, respecting the application, as in the circumstances it thinks fit. Power to make order concerning any matter connected with the lunacy.

*Management and administration.*

**49.** The Court may, if it appears to be just or for the lunatic's benefit, order that any property, moveable or immoveable, of the lunatic, and whether in possession, reversion, remainder, or contingency, be sold, charged, mortgaged, dealt with or otherwise disposed of as may seem most expedient for the purpose of raising or securing or repaying with or without interest Power to dispose of lunatic's property for certain purposes.



money to be applied or which has been applied to all or any of the following purposes, namely—

- (1) the payment of the lunatic's debts or engagements ;
- (2) the discharge of any incumbrance on his property ;
- (3) the payment of any debt or expenditure incurred for the lunatic's maintenance or otherwise for his benefit ;
- (4) the payment of or provision for the expenses of his future maintenance and the maintenance of such members of his family as are dependent on him for maintenance, including the expenses of his removal to Europe, if he shall be so removed, and all expenses incidental thereto ;
- (5) the payment of the costs of any inquiry under this Chapter, and of any costs incurred by order or under the authority of the Court.

execution of  
conveyances  
and powers  
of manager  
under order  
of Court.

**50.** (1) The manager of the lunatic's estate shall, in the name and on behalf of the lunatic, execute all such conveyances and instruments of transfer relative to any sale, mortgage or other disposition of his estate as the Court may order.

(2) Such manager shall, in like manner, under the order of the Court, exercise all powers whatsoever vested in a lunatic, whether the same are vested in him for his own benefit or in the character of trustee or guardian.

Court may  
order per-  
formance of  
contract.

**51.** Where a person, having contracted to sell or otherwise dispose of his estate or any part thereof, afterwards becomes lunatic, the Court may, if the contract is such as the Court thinks ought to be performed direct the manager of the estate to execute such conveyances and to do such other acts in fulfilment of the contract as it shall think proper.

dissolution  
and disposal  
of property of  
partnership  
by a member  
becoming  
lunatic.

**52.** (1) Where a person, being a member of a partnership firm, is found to be a lunatic, the Court may, on the application of the other partners, or of any person who appears to the Court to be entitled to require the same, dissolve the partnership.

(2) Upon such dissolution, or upon a dissolution by decree of Court or otherwise by due course of law, the manager of the estate may, in the name and on behalf of the lunatic, join with the other partners in disposing of the partnership property upon such terms, and shall do all such acts for carrying into effect the dissolution of the partnership, as the Court shall think proper.

disposal of  
business  
premises.

**53.** Where a lunatic has been engaged in business the Court may, if it appears to be for the lunatic's benefit that the business premises should be disposed of, order the manager of the estate to sell and dispose of the same, and the moneys arising from such sale shall be applied in such manner as the Court may direct.

manager  
may dispose  
of lease.

**54.** Where a lunatic is entitled to a lease or under-lease, and it appears to be for the benefit of his estate that it should be disposed of, the manager of the estate may, by order of the Court, surrender, assign or otherwise dispose of the same to such person for such valuable or nominal consideration, and upon such terms, as the Court thinks fit.

**55.** If a lunatic is possessed of any immoveable property situate beyond the local limits of the jurisdiction of the Court, which, by the law in force in the Province wherein such property is situated, subjects the proprietor, if disqualified, to the jurisdiction of the Court of Wards, the said Court of Wards may assume the charge of such property and manage the same according to the law for the time being in force for such management :

Assumption of charge by Court of Wards of land belonging to a lunatic in certain cases.

Provided that—

- (1) in such case, no further proceedings in respect of the lunacy shall be taken under any such law, nor shall it be competent to the Court of Wards or to any Collector to appoint a guardian of the person of the said lunatic or a manager of the estate except of the immoveable property which so subjects the proprietor as aforesaid :
- (2) the surplus of the income of such property, after providing for the payment of the Government revenue and expenses of management, shall be disposed of from time to time in such manner as the High Court may direct :
- (3) nothing contained in this section shall affect the powers given to the High Court by sections 49, 50 and 51 or (except so far as relates to the management of the said immoveable property which so subjects the proprietor as aforesaid) the powers given by any other section.

**56.** (1) If it appears to the Court, having regard to the situation and condition in life of the lunatic and his family and the other circumstances of the case to be expedient that his property should be made available for his or their maintenance in a direct and inexpensive manner it may, instead of appointing a manager of the estate, order that the property if money or if of any other description the produce thereof when realized, be paid to such person as the Court may think fit, to be applied for the purpose aforesaid.

Power to apply property for lunatic's maintenance without appointing manager in certain cases.

(2) The receipt of the person so appointed shall be a valid discharge to any person who pays any money or delivers any property of the lunatic to such person.

#### *Vesting orders.*

**57.** Where any stock or Government securities or any share in a company (transferable within British India or the dividends of which are payable there) is or are standing in the name of, or vested in, a lunatic, beneficially entitled thereto, or in a manager of the estate of a lunatic, or in a trustee for him, and the manager dies intestate, or himself becomes lunatic, or is out of the jurisdiction of the Court, or it is uncertain whether the manager is living or dead, or he neglects or refuses to transfer the stock, securities or shares, or to receive and pay over thereof the dividends to a new manager or as the Court directs, within fourteen days after being required by the Court to do so, then the Court

Power to order transfer of stock belonging to lunatic in certain cases.

may order some fit person to make such transfer, or to transfer the same, and to receive and pay over the dividends in such manner as the Court directs.

Power to  
order trans-  
fer of stock  
of lunatic  
residing out  
of British  
India and  
the United  
Kingdom.

**58.** Where any such stock or Government securities or share in a company is or are standing in the name of, or vested in, any person residing out of British India and not in any part of the United Kingdom, the Court upon being satisfied that such person has been declared lunatic, and that his personal estate has been vested in a person appointed for the management thereof, according to the law of the place where he is residing, may order some fit person to make such transfer of the stock, securities or shares or of any part thereof, to or into the name of the person so appointed or otherwise, and also to receive and pay over the dividends and proceeds as the Court thinks fit.

#### *General.*

Power to  
apply pro-  
perty for  
lunatic's  
maintenance  
in case of  
temporary  
lunacy.

**59.** If it appears to the Court that the unsoundness of mind of a lunatic is in its nature temporary, and that it is expedient to make temporary provision for his maintenance or for the maintenance of such members of his family as are dependent on him for their maintenance, the Court may, in like manner as under section 56, direct his property or a sufficient part of it to be applied for the purpose aforesaid.

Proceedings  
in lunacy  
to cease or  
to be set  
aside if  
Court finds  
that the un-  
soundness of  
mind has  
ceased.

**60.** (1) When any person has been found under this Chapter to be of unsound mind, and it is subsequently shown to the Court that there is reason to believe that such unsoundness of mind has ceased, the Court may make an order for enquiring whether such person is still of unsound mind and incapable of managing himself and his affairs.

(2) The enquiry shall be conducted as far as may be in the manner prescribed in this Chapter for an inquisition into the unsoundness of mind of an alleged lunatic; and if it is found that the unsoundness of mind has ceased, the Court shall order all proceedings in the lunacy to cease or to be set aside on such terms and conditions as to the Court may seem fit.

Power of  
Court to  
make rules.

**61.** The Court may, from time to time, make rules for the purpose of carrying into effect the provisions of this Chapter in matters of lunacy.

### CHAPTER V.

#### PROCEEDINGS IN LUNACY OUTSIDE PRESIDENCY-TOWNS.

##### *Inquisition.*

Power of  
District  
Court to  
institute in-  
quisition as  
to persons  
alleged to be  
lunatic.

**62.** Whenever any person not subject to the jurisdiction of any of the Courts mentioned in section 37 is possessed of property and is alleged to be a lunatic, the District Court, within whose jurisdiction such person is residing may, upon application, by order direct an inquisition for the purpose of ascertaining whether such person is of unsound mind and incapable of managing himself and his affairs.

**63.** (1) Application for such inquisition may be made by any relative of the alleged lunatic or by any public Curator appointed under the Succession<sup>1</sup> Act, 1841 (hereinafter referred to as the Curator), or by the Government Pleader, as defined in the<sup>2</sup> Code of Civil Procedure, 1908, or if the property of the alleged lunatic consists in whole or in part of land or any interest in land, by the Collector of the district in which it is situate.

XIX of 1841.  
V of 1908.

Application  
by whom to  
be made.

(2) If the property or any part thereof is of such a description that it would by the law in force in any Province where such property is situate subject the proprietor, if disqualified, to the jurisdiction of the Court of Wards, the application may be made by the Collector on behalf of the Court of Wards.

**64.** The provisions of sections 40, 41 and 42 shall regulate the proceedings of the District Court with regard to the matters to which they relate.

Regulation  
of proceed-  
ings of Dis-  
trict Courts.

**65.** (1) The District Court, if it thinks fit, may appoint two or more persons to act as assessors to the Court in the said inquisition.

(2) Upon the completion of the inquisition, the Court shall determine whether the alleged lunatic is of unsound mind and incapable of managing himself and his affairs or may come to a special finding that such alleged lunatic is of unsound mind so as to be incapable of managing his affairs, but that he is capable of managing himself and is not dangerous to himself or to others.

Inquisition  
by District  
Court and  
finding  
thereon.

**66.** (1) If the alleged lunatic resides at a distance of more than fifty miles from the place where the District Court is held to which the application is made, the said Court may issue a Commission to any subordinate Court to make the inquisition, and such subordinate Court shall thereupon conduct the inquisition in the manner hereinbefore provided in this Chapter.

Inquisition  
by subor-  
dinate Court  
on commis-  
sion issued  
by District  
Court and  
proceedings  
thereon.

(2) On the completion of the inquisition the subordinate Court shall transmit the record of its proceedings with the opinions of the assessors if assessors have been appointed, and its own opinion on the case; and the District Court shall thereupon proceed to dispose of the application in the manner provided in section 65, sub-section (2):

Provided that the District Court may direct the subordinate Court to make such further or other inquiries as it thinks fit before disposing of the application.

#### *Judicial powers over person and estate of lunatic.*

**67.** (1) The Court may make orders for the custody of lunatics so found by inquisition and the management of their estates.

Custody of  
lunatics and  
management  
of their  
estates.

(2) When upon the inquisition it is specially found that the person to whom the inquisition relates is of unsound mind so as to be incapable of managing his affairs, but that he is capable of managing himself and is not dangerous to himself or to others, the Court may make such orders as it

<sup>1</sup> Genl. Acts, Vol I.

<sup>2</sup> Genl. Acts, Vol VI.

thinks fit for the management of the estate of the lunatic including proper provisions for the maintenance of the lunatic and of such members of his family as are dependent on him for maintenance, but it shall not be necessary to make any order as to the custody of the person of the lunatic.

Court of  
Wards to be  
authorised in  
certain cases  
to take  
charge of  
estate of  
lunatic.  
Power to  
direct Col-  
lector to take  
charge of  
person and  
estate of  
lunatic in  
certain cases.

**68.** If the estate of a lunatic so found or any part thereof consists of property which, by the law for the time being in force, subjects the proprietor, if disqualified, to the jurisdiction of the Court of Wards, the Court of Wards shall be authorised to take charge of the same.

**69. (1)** If the estate of a lunatic so found consists in whole or in part of land or any interest in land, but is not of such a nature that it would subject the proprietor, if disqualified, to the jurisdiction of the Court of Wards, the District Court may direct the Collector to take charge of the person and estate of the lunatic :

Provided that no such order shall be made without the consent of the Collector previously obtained.

(2) The Collector shall thereupon appoint a manager of the estate, and may appoint a guardian of the person of the lunatic.

Control over  
proceedings  
of Collector.

**70.** All proceedings of the Collector in regard to the person or estate of a lunatic under this Chapter shall be subject to the control of the Local Government or of such authority as it may appoint in this behalf.

Power of  
District  
Court to  
appoint  
guardian and  
manager and  
take security  
from  
manager.

**71. (1)** In all other cases the District Court shall appoint a manager of the estate of the lunatic and may appoint a guardian of his person :

Provided that a District Court may, instead of appointing a manager of the estate of a lunatic, exercise any of the powers conferred on the High Court under sections 56 and 59.

(2) Any person who has been appointed by the District Court or Collector to manage the estate of a lunatic shall, if so required, enter into a bond in such form and with such sureties as to the Court or the Collector, as the case may be, may seem fit, engaging duly to account for what he may receive in respect of the property of the lunatic.

Restriction  
on appoint-  
ment of legal  
heir of lunatic  
to be  
guardian of  
his person.

**72.** The legal heir of a lunatic shall not be appointed to be the guardian of the person of such lunatic unless the Court or the Collector, as the case may be, for reasons to be recorded in writing, considers that such an appointment is for the benefit of the lunatic.

Remunera-  
tion of  
managers  
and guard-  
ians.  
Duties of  
guardian.

**73.** A guardian of the person of a lunatic or a manager of his estate appointed under this Chapter shall be paid such allowance, if any, as the Court or the Collector, as the case may be, thinks fit for his care and pains in the execution of his duties.

**74. (1)** The person appointed to be guardian of a lunatic's person shall have the care of his person and maintenance.

(2) When a distinct guardian is appointed, the manager shall pay to the guardian such allowance as may be fixed by the District Court or the Collector

as the case may be, for the maintenance of the lunatic and such members of his family as are dependent on him for their maintenance.

**75.** (1) Every manager of the estate of a lunatic appointed as aforesaid may exercise the same powers in the management of the estate as might have been exercised by the proprietor if not a lunatic, and may collect and pay all just claims, debts and liabilities due to or by the estate of the lunatic : Powers of manager.

Provided that no manager so appointed shall without the permission of the Court—

(a) mortgage, charge, or transfer by sale, gift, exchange or otherwise any immoveable property of the lunatic,

(b) lease any such property for a term exceeding five years.

Such permission may be granted subject to any condition or restriction which the Court thinks fit to impose.

(2) Before granting any such permission, the Court may cause notice of the application for such permission to be served on any relative or friend of the lunatic, and may make or cause to be made such inquiries as to the Court may seem necessary in the interests of the lunatic.

**76.** (1) Every person appointed by the District Court or by the Collector to be manager of the estate of a lunatic shall, within six months from the date of his appointment, deliver in Court or to the Collector, as the case may be, an inventory of the immoveable property belonging to the lunatic and of all such money, or other moveable property, as he may receive on account of the estate, together with a statement of all debts due by or to the same. Manager to furnish inventory and annual accounts.

(2) Every such manager shall also furnish to the Court or to the Collector annually, within three months of the close of the year of the era current in the district, an account of the property in his charge, exhibiting the sums received and disbursed on account of the estate and the balance remaining in his hands.

**77.** If any relative of the lunatic, or the Collector by petition to the Court, impugns the accuracy of the said inventory and statement, or of any annual account, the Court may summon the manager and inquire summarily into the matter and make such order thereon as it thinks fit ; or the Court, at its discretion, may refer any such petition to any subordinate Court or to the Collector if the manager was appointed by the Collector. Proceeding if accuracy of inventory or accounts is impugned.

**78.** All sums received by a manager on account of any estate in excess of what may be required for the current expenses of the lunatic or of the estate, shall be paid into the public treasury on account of the estate, and shall be invested from time to time in any of the securities specified in section 20 of the Payment into public treasury and investment of proceeds of estate.

11 of 1882.

<sup>1</sup>Indian Trust Act, 1882, unless the Court or the Collector, as the case may be,

for reasons to be recorded in writing, directs that such sums be in the interest of the lunatic otherwise invested or applied.

Relative may  
sue for an  
account.

**79.** Any relative of a lunatic may with the leave of the District Court sue for an account from any manager appointed under this Chapter, or from any such person after his removal from office or trust, or from his legal representative in case of his death, in respect of any estate then or formerly under his care or management or of any sums of money or other property received by him on account of such estate.

Removal of  
managers  
and guar-  
dians.

**80.** (1) The District Court, for any sufficient cause, may remove any manager appointed by it not being the Curator, and may appoint such Curator or any other fit person in his place, and may compel the person so removed to make over the property in his hands to his successor, and to account to such successor for all money received or disbursed by him.

(2) The Court may also for any sufficient cause, remove any guardian of the person of the lunatic appointed by it, and may appoint any other fit person in his place.

(3) The Collector, for any sufficient cause, may remove any manager of the estate of a lunatic or guardian of the person of a lunatic appointed by him, and may appoint any other fit person in place of such manager or guardian; and the District Court, on the application of the Collector, may compel any manager removed under this section to make over the property and all accounts in his hands to his successor and to account to such successor for all money received or disbursed by him.

Penalty on  
manager for  
refusing to  
deliver ac-  
counts or  
property.

**81.** The District Court may impose a fine not exceeding five hundred rupees on any manager of the estate of a lunatic who wilfully neglects or refuses to deliver his accounts or any property in his hands within the time fixed by the Court, and may realize such fine as if it were a sum due under a decree of the Court, and may also commit the recusant to the civil jail until he delivers such accounts or property.

Proceedings  
in lunacy to  
cease or to  
be set aside  
if Court finds  
that the un-  
soundness  
of mind has  
ceased.

**82.** (1) When any person has been found under this Chapter to be of unsound mind, and it is subsequently shown to the District Court that there is reason to believe that such unsoundness of mind has ceased, such Court may make an order for inquiring whether such person is still of unsound mind and incapable of managing himself and his affairs.

(2) The inquiry shall, as far as may be, be conducted in the same manner as is prescribed in this Chapter for an inquisition into the unsoundness of mind of an alleged lunatic, and if it is found that the unsoundness of mind has ceased, the Court shall order all proceedings in the lunacy to cease or to be set aside on such terms and conditions as to the Court may seem fit.

Appeals.

**83.** An appeal shall lie to the High Court from any order made by a District Court under this Chapter.

## PART IV.

## MISCELLANEOUS.

## CHAPTER VI.

## ESTABLISHMENT OF ASYLUMS.

84. The Local Government may establish or license the establishment of asylums at such places as it thinks fit.

Local Government may establish or license the establishment of asylums.

85. The Governor General in Council may, by any general or special order,<sup>1</sup> direct that Magistrates or Courts exercising jurisdiction in any province may send lunatics or any class of lunatics to any asylum situate in any other province.

Provision for admission of lunatics in asylums outside a province.

## CHAPTER VII.

## EXPENSES OF LUNATICS.

86. (1) When any lunatic is admitted to a licensed asylum under a reception order or an order under section 25, and no engagement has been taken from the friends or relatives of the lunatic or order made by the Court for the payment of expenses under the provisions of this Act, the cost of maintenance of such lunatic shall, subject to the provision of any law for the time being in force, be paid by the Government to the person in charge of such asylum.

Payment of cost of maintenance in licensed asylums in certain cases by Government.

(2) The paymaster of the military circle within which any asylum is situated shall pay to the officer in charge of such asylum the cost of maintenance of every lunatic received and detained therein under an order made under section 12.

87. Any money in the possession of a lunatic found wandering at large may be applied by the Magistrate towards the payment of the cost of maintenance of the lunatic or of any other expenses incurred on his behalf, and any moveable property found on the person of the lunatic may be sold by the Magistrate, and the proceeds thereof similarly applied.

Application of property in the possession of a lunatic found wandering.

88. If a lunatic detained in an asylum on a reception order made under section 14, section 15 or section 17 has an estate applicable to his maintenance, or if any person legally bound to maintain such lunatic has the means to maintain him, the authority which made the reception order or any local authority liable for the cost of maintenance of such lunatic under any law for the

Application to Civil Court for order for the payment of cost of maintenance out

<sup>1</sup> For notification regarding sending of lunatics from the province of Delhi to Lahore Lunatic Asylum, see Gazette of India, 1912, Pt. I, p. 1101, and to the Agra Lunatic Asylum, see Gazette of India, 1914, Part I, p. 9.

For notification regarding the sending of lunatics from Bihar and Orissa to the Bhowanipur Lunatic Asylum in Bengal, see Gazette of India, 1913, Part I, p. 1329.



of the lunatic's estate, or by person bound to maintain him.

Order of Court and enforcement thereof.

Saving of liability of relatives to maintain lunatic.

time being in force may apply to the High Court or District Court within the local limits of the original jurisdiction of which the estate of the lunatic is situate or the person legally bound to maintain him resides, for an order for the payment of the cost of maintenance of the lunatic.

**89.** (1) The Court shall inquire into the matter in a summary way, and on being satisfied that such lunatic has an estate applicable to his maintenance, or that any person is legally bound to maintain and has the means of maintaining such lunatic, may make an order for the recovery of the cost of maintenance of such lunatic, together with the costs of the application out of such estate or from such person.

(2) Such order shall be enforced in the same manner, and shall be of the same force and effect and subject to the same appeal as a decree made by the said Court in a suit in respect of the property or person therein mentioned.

**90.** The liability of any relative or person to maintain any lunatic shall not be taken away or affected by any provision contained in this Act.

## CHAPTER VIII.

### RULES.

Power of Local Government to make rules.

**91.** (1) Subject to the control of the Governor General in Council, the Local Government may make rules<sup>1</sup> for all or any of the following purposes, namely :—

- (a) to prescribe forms for any proceeding under this Act other than a proceeding before a High Court which is or may hereafter be established under the <sup>2</sup>Indian High Courts Acts, 1861 to 1911 ;
- (b) to prescribe places of detention and regulate the care and treatment of persons detained under section 8 or section 16 ;
- (c) to regulate the confinement, care, treatment and discharge of criminal lunatics ;
- (d) to regulate the management of asylums and the care and custody of the inmates thereof and their transfer from one asylum to another ;
- (e) to regulate the transfer of criminal lunatics to asylums ;
- (f) to prescribe the procedure to be followed by District Courts and Magistrates before a lunatic is sent to any asylum established by Government ;
- (g) to prescribe the asylums <sup>3</sup>established by Government within the province to which lunatics from any area or any class of lunatics shall be sent ;

24 & 25  
 Vict., s. 104,  
 to 1 & 2  
 Geo. 5, c. 18.

<sup>1</sup> For rules as to Visitors to Asylums in Madras, see Fort St. George Gazette, 1913, Part I, p. 1442.

For rules for the superintendence and management of the Nagpur Lunatic Asylum, see C. P. Gazette, 1914, Part I, p. 36.

<sup>2</sup> Coll. Stats.

<sup>3</sup> For asylums prescribed by the Government of Bengal, see Calcutta Gazette, 1912, Pt. I, p. 910.

- (h) to prescribe conditions subject to which asylums may be licensed ;  
 (i) save as otherwise provided in this Act, generally to carry into effect the provisions of the Act.

(2) In making any rule under this section, the Local Governments may direct that a breach of it shall be punishable with fine which may extend to fifty rupees.

**92.** All rules made under section 91 shall be published in the local official Gazette, and shall thereupon have effect as if enacted in this Act. Publication of rules.

## CHAPTER IX.

### SUPPLEMENTAL PROVISIONS.

**93.** Any person who—

- (a) otherwise than in accordance with the provisions of this Act receives or detains a lunatic or alleged lunatic in an asylum, or  
 (b) for gain detains two or more lunatics in any place not being an asylum, shall be punishable with imprisonment which may extend to two years or with fine or with both. Penalty for improper reception or detention of lunatic.

V of 1898.

**94.** The provisions of Chapter XLII of the Code of Criminal Procedure, 1898, shall, so far as may be, apply to bonds taken under this Act. Provision as to bonds

**95.** (1) When any sum is payable in respect of pay, pension, gratuity, or other similar allowance to any person by Government and the person to whom the sum is payable is certified by a Magistrate to be a lunatic, the Government officer under whose authority such sum would be payable if the payee were not a lunatic may pay so much of the said sum as he thinks fit to the person having charge of the lunatic, and may pay the surplus, if any, or such part thereof, as he thinks fit for the maintenance of such members of the lunatic's family as are dependent on him for maintenance. Pension of lunatic payable by Government.

(2) The Secretary of State for India in Council shall be discharged of all liability in respect of any amounts paid in accordance with this section.

**96.** Subject to any rules, the forms set forth in the First Schedule, with such variation as the circumstances of each case may require, shall be used for the respective purposes therein mentioned, and if used shall be sufficient. Use of forms in Schedule.

**97.** No suit, prosecution or other legal proceedings shall lie against any person for anything which is in good faith done or intended to be done under this Act. Protection to persons acting under Act.

**98.** Any officer in charge of an asylum may give effect to any order or warrant for the reception and detention of any lunatic made or issued by any Court or tribunal beyond the limits of British India in the exercise of jurisdiction conferred by His Majesty or the Governor General in Council. Power to give effect to warrants and orders of certain Courts outside British India.

Power to  
make rules  
for reception  
of lunatics  
received from  
outside  
British  
India.  
Orders  
under re-  
pealed Act.

**99.** The Governor General in Council may make rules regulating the procedure for the reception and detention in asylums in British India of lunatics whose reception and detention are provided for by section 98.

**100.** (1) In the case of orders made before the commencement of this Act under section 7 of the Indian Lunatic Asylums Act, 1858, for the reception of persons into an asylum the persons who signed the order shall have all the powers and be subject to the obligations by this Act conferred or imposed upon the petitioner for a reception order, and the provisions of this Act relating to persons upon whose petition a reception order was made shall apply in the case of a person who has signed an order, under section 7 of the Indian Lunatic Asylums Act, 1858, before the commencement of this Act as if the order had been made after the commencement of this Act upon a petition presented by him. XXXVI of 1858.

(2) All orders for the detention of lunatics made and all undertakings given under any enactment hereby repealed shall have the same force and effect as if they had been made or given under this Act and by or to the authority empowered thereby in such behalf.

Repeal of  
enactments.

**101.** The enactments mentioned in the Second Schedule are repealed to the extent specified in the fourth column thereof.

#### SCHEDULE 1.

#### FORMS.

(See section 96.)

#### FORM 1.

#### *Application for Reception Order.*

(See sections 5 and 6.)

In the matter of A. B.<sup>[1]</sup>, residing at . by occupation , son of ; a person alleged to be a lunatic.

To Presidency Magistrate, for

or District Magistrate of

, or Sub-Divisional Magistrate of

or Magistrate specially empowered under Act IV

of 1912 for

The petition of C. D.<sup>[1]</sup>, residing at

, by occupation

, son of

, in the town of

[or sub-division

of in the district of ]

I. I am

[<sup>2</sup>] years of age.

<sup>1</sup> Full name, caste and titles.

<sup>2</sup> Enter the number of completed years. The petitioner must be at least eighteen or twenty-one whichever is the age of majority under the law to which the petitioner is subject.

2. I desire to obtain an order for the reception of A. B. as a lunatic in the  
 •asylum of \_\_\_\_\_ situate at [1].

3. I last saw the said A. B. at \_\_\_\_\_ on the \_\_\_\_\_ day of \_\_\_\_\_

4. I am the [3] of the said A. B. •

[or if the petitioner is not a relative of the patient state as follows.]

I am not a relative of the said A. B. The reasons why this petition is not presented by a relative are as follows : [State them.]

The circumstances under which this petition is presented by me are as follows: [*State them*].

5. The persons signing the medical certificates which accompany the petition are<sup>[4]</sup>.

6. A statement of particulars relating to the said A. B. accompanies this petition.

7. [If that is the fact.] An application for an inquiry into the mental capacity of the said A. B. was made to the \_\_\_\_\_ on the \_\_\_\_\_ and a certified copy of the order made on the said petition is annexed hereto. [Or if that is the fact.]

No application for an inquiry into the mental capacity of the said A. B. has been made previous to this application.

The petitioner therefore prays that a reception order may be made in accordance with the foregoing statement.

(Sd.). C. D.

The statements contained or referred to in paragraphs are true to my knowledge; the other statements are true to my information and belief.

(Sd.) ( . D.

*Deed.*

*Statement of particulars.*

[If any of the particulars in this statement is not known, the fact to be so stated ]

The following is a statement of particulars relating to the said A. B.

Name of patient at length.

Sex and age.

Married, single or widowed.

Previous occupation.

Caste and religious belief, as far as known.

Residence at or immediately previous to the date hercof.

Names of any near relatives to the patient who are alive.

Whether this is first attack of lunacy.

[1] Insert full description of the name and locality of the asylum or the name, address and description of the person in charge of the asylum.

[<sup>2</sup>] A day within 14 days before the date of the presentation of the petition is requisite.

[3] Here state the relationship with the patient.

[4] Here state whether either of the persons signing the medical certificates is a relative, partner or assistant of the lunatic or of the petitioner and, if a relative of either, the exact relationship.

Age (if known) on first attack.

When and where previously under care and treatment as a lunatic.

Duration of existing attack.

Supposed cause.

Whether the patient is subject to epilepsy.

Whether suicidal.

Whether the patient is known to be suffering from phthisis or any form of tubercular disease.

Whether dangerous to others, and in what way.

Whether any near relative (stating the relationship) has been afflicted with insanity.

Whether the patient is addicted to alcohol, or the use of opium, ganja, charas, bhang, cocaine or other intoxicant.

[The statements contained or referred to in paras. are true to my knowledge. The other statements are true to my information and belief.]

[Signature by person  
making the statement.]

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## FORM 2.

### *Reception Order on Petition.*

(See sections 7, 10.)

I, the undersigned E. F., being a Presidency Magistrate of [or the District Magistrate of or the Sub-Divisional Magistrate of or a Magistrate of the first class specially empowered by Government to perform the functions of a Magistrate under Act IV of 1912] upon the petition of C. D. of<sup>[1]</sup> in the matter of A. B., <sup>[1]</sup> a lunatic, accompanied by the medical certificates of G. H., a medical officer, and of J. K., a medical practitioner [or medical officer], under the said Act, hereto annexed, hereby authorise you to receive the said A. B. into your asylum. And I declare that I have [or have not] personally seen the said A. B. before making this order.

(Sd.) E. F.

(Designation as above.)

To<sup>[2]</sup>

---

<sup>[1]</sup> Address and description.

<sup>[2]</sup> To be addressed to the officer or person in charge of the asylum.

## FORM 3.

*Medical Certificate.*

(See sections 18, 19.)

In the matter of A. B. of [1] in the town of [or the sub-division of in the district of ] an alleged lunatic.

I, the undersigned C. D., do hereby certify as follows :—

1. I am <sup>a gazetted medical officer [or a medical practitioner declared by Government to be medical</sup>  
a holder of [2] or declared by Local Government to be a medical practitioner under Act IV  
of 1912] and I am in the actual practice of the medical profession.

2. On the day of 19 at [3] in the <sup>town</sup><sub>village</sub> of [or the sub-division of in the district of ] [separately from any other practitioner] [4], I personally examined the said A. B. and came to the conclusion that the said A. B. is a lunatic and a proper person to be taken charge of and detained under care and treatment.

3. I formed this conclusion on the following grounds, viz. :—

(a) Facts indicating insanity observed by myself, viz. :—

(b) Other facts (if any) indicating insanity communicated to me by others  
viz. :—Here state the information and from whom.

(Sd. C. D.)

(Designation as above.)

## FORM 4.

*Reception Order in case of Lunatic Soldier.*

(See section 12.)

Whereas it appears to me that A. B., a European, subject to the Army Act, who has been declared a lunatic in accordance with the provisions of the military regulations, should be removed to an asylum, I do hereby authorise you to receive the said A. B. into your asylum.

(Sd.) E. F.

(Administrative Medical Officer.)

To [5]

[1] Insert residence of patient.

[2] Insert qualification to practise medicine and surgery registrable in the United Kingdom.

[3] Insert place of examination.

[4] Omit this where only one certificate is required.

[5] To be addressed to the person in charge of an asylum duly authorised by Government  
to receive lunatic Europeans subject to the Army Act.

## FORM 5.

*Reception order in case of wandering or dangerous lunatics or lunatics not under proper control or cruelly treated (sent to an asylum established by Government).*

*(See sections 14, 15, 17.)*

I, C. D., Presidency Magistrate of \_\_\_\_\_ [or Commissioner of Police for \_\_\_\_\_] [or the District Magistrate of \_\_\_\_\_ or the Sub-divisional Magistrate of \_\_\_\_\_ or a Magistrate specially empowered by Government under Act IV of 1912] having caused A. B. to be examined by E. F., a Medical Officer under the Indian Lunacy Act, 1912, and being satisfied that A. B. [*describing him*] is a lunatic who was wandering at large [or is a person dangerous by reason of lunacy] [or is a lunatic not under proper care and control or is cruelly treated or neglected by the person having the care or charge of him] and a proper person to be taken charge of and detained under care and treatment, hereby direct you to receive the said A. B. into your asylum.

(Sd.) C. D.

*(Designation as above.)*

Dated the \_\_\_\_\_

To the Officer in charge of the asylum at \_\_\_\_\_

## FORM 6.

*Same when sent to a licensed asylum.*

I, C. D., [*as above down to "care and treatment"*] and being satisfied with the engagement entered into in writing by G. H. of [*here insert address and description*] who has desired that the said A. B. may be sent to the asylum at \_\_\_\_\_ [*here insert description of asylum and name of the person in charge*] to pay the cost of maintenance of the said A. B., in the said asylum, hereby authorize you to receive the said A. B. into your asylum.

(Sd.) C. D.

*(Designation as above.)*

Dated the \_\_\_\_\_

To the person in charge of the asylum at \_\_\_\_\_

## FORM 7.

*Bond on the making over of a lunatic to the care of relative or friend.*

(See sections 14, 15, 17.)

Whereas A. B., son of \_\_\_\_\_, inhabitant of \_\_\_\_\_, has been brought up before C. D., a Presidency Magistrate for the town of \_\_\_\_\_ [or Commissioner of Police for \_\_\_\_\_] [or the <sup>District</sup> Sub-divisional Magistrate of \_\_\_\_\_, or a Magistrate of the first class specially empowered under Act IV of 1912] and is a lunatic who is believed to be dangerous [or deemed to be a lunatic who is not under proper care and control or is cruelly treated or neglected by the person having the charge of him] and whereas I, E. F., son of \_\_\_\_\_, inhabitant of \_\_\_\_\_, have applied to the Magistrate [or Commissioner of Police] that the said A. B. may be delivered to my care :

I, E. F., abovenamed hereby bind myself that on the said A. B. being made over to my care, I will have the said A. B. properly taken care of and prevented from doing injury to himself or to others : and in case of my making default therein, I hereby bind myself to forfeit to His Majesty the King-Emperor of India, the sum of rupees \_\_\_\_\_.

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 19 \_\_\_\_\_.

(Sd.) E. F.

(Where a bond with sureties is to be executed add)—We do hereby declare ourselves sureties for the abovenamed E. F. that he will, on the aforesaid A. B. being made over to his care, have the said A. B. properly taken care of and prevented from doing injury to himself or to others ; and in case of the said E. F. making default therein, we bind ourselves, jointly and severally, to forfeit to His Majesty the King-Emperor of India, the sum of rupees \_\_\_\_\_.

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 19 \_\_\_\_\_.

(Signature.)

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 FORM 8.

*Bond on the discharge of a lunatic from an asylum on the undertaking of relative or friend to take due care.*

(See section 35.)

Whereas A. B., son of \_\_\_\_\_, inhabitant of \_\_\_\_\_, is a lunatic who is now detained in the asylum at \_\_\_\_\_ under an order made by C. D., a Presidency Magistrate for the town of \_\_\_\_\_ [or Commissioner of Police for \_\_\_\_\_] [or the <sup>District</sup> Sub-divisional Magistrate of \_\_\_\_\_, or a Magistrate of the first class specially empowered under Act IV of 1912] under section 14 [or section 15] of Act IV of 1912. and whereas I, E. F., son of \_\_\_\_\_, inhabitant of \_\_\_\_\_ have applied to the said Magistrate [or Commissioner of Police] that the said A. B. may be delivered to my care and custody :



I hereby bind myself that on the said A. B. being made over to my care and custody, I will have him properly taken care of and prevented from doing injury to himself or to others, and in case of my making default therein, I hereby bind myself to forfeit to His Majesty the King-Emperor of India the sum of rupees

Dated this            day of            19 .

(Sd) E. F.

(Where a bond with sureties is to be executed and)—We            do hereby declare ourselves sureties for the abovenamed E. F. that he will, on the aforesaid A. B. being delivered to his care and custody, have the said A. B. properly taken care of and prevented from doing injury to himself or to others; and in case of the said E. F. making default therein, we bind ourselves, jointly and severally, to forfeit to His Majesty the King-Emperor of India, the sum of rupees.

Dated this            day of            19 .

(Signature.)

## SCHEDULE II.

### ENACTMENTS REPEALED.

(See section 101.)

1	2	3	4
Year.	No.	Short title.	Extent of Repeal.
1858 .	XXXIV	Lunacy (Supreme Courts) Act, 1858.	So much as has not been repealed.
1858 .	XXXV	Lunacy (District Courts) Act, 1858	Ditto.
1858 .	XXXVI	Indian Lunatic Asylums Act, 1858	Ditto.
1877 .	XI	Military Lunatics Act, 1877	Ditto.
1886 .	XVIII	Indian Lunatic Asylums Act (1858) Amendment Act, 1886.	Ditto.
1889 .	XX	Indian Lunatic Asylums Act (1858) Amendment Act, 1889.	Ditto.
1894 .	XIII	Amending (Army) Act, 1894	So much as relates to the Military Lunatics Act, 1877.
1898 .	V	Code of Criminal Procedure, 1898.	Section 471, sub-sections (2) and (3), and section 472.
1909 .	V	Amending (Army) Act, 1909	So much as relates to the Military Lunatics Act, 1877.

THE PROVIDENT INSURANCE SOCIETIES ACT, 1912 (V OF 1912)

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CONTENTS.

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*Preliminary.*

SECTIONS.

1. Short title and extent.
2. Definitions.
3. Application of Act.

*General.*

4. Insurable interest.
5. Provision to be made by rules.
6. Registration of Provident Insurance Societies.
7. Unregistered society not to receive premium or contribution.
8. Amendment of rules.
9. Right to supply of copies of rules.
10. Register of Members.
11. Publication of authorized subscribed and paid-up capital.
12. Office.
13. Revenue-account and balance-sheet.
14. Delivery and publication of revenue-account, etc.
15. Record of insurances effected on life other than life of person insuring
16. Inspection of books.
17. Inquiry.
18. Cancellation of registry.
19. Liquidators.

*Appeals.*

20. Appeals.

*Offences and Procedure.*

21. Penalty for non-compliance with Act.
22. Penalty for falsifying documents.
23. Cognizance of offences.

*Rules.*

24. Rules.

*Miscellaneous.*

25. Saving of existing policies.
26. Power of Local Government to exempt from provisions of the Act.

ACT NO. V OF 1912<sup>1</sup>.

[18th March, 1912.]

An Act to provide for the regulation of Provident Insurance Societies.

WHEREAS it is expedient to provide for the regulation of Provident Insurance Societies ; It is hereby enacted as follows :—

*Preliminary.*

Short title  
and extent.

1. (1) This Act may be called the Provident Insurance Societies Act, 1912 ; and

(2) It extends to the whole of British India, inclusive of British Baluchistan, the Sonthal Parganas and the Pargana of Spiti.

Definition.

2. In this Act, unless there is anything repugnant in the subject or context,—

(1) “ Court ” means the principal Civil Court of original jurisdiction in a district, and includes the High Court in the exercise of its ordinary original civil jurisdiction :

(2) “ financial year ” means each period of twelve months at the end of which the balance of the accounts of any Provident Insurance Society is struck, or, if no such balance is struck, then the calendar year :

(3) “ life assurance business ” means the issue of, or the undertaking of liability under, policies of assurance upon human life, or the granting of annuities upon human life :

(4) “ policy of assurance on human life ” means any instrument by which the payment of money is assured on death (except death by accident only) or the happening of any contingency dependent on human life, or any instrument evidencing a contract which is subject to payment of premiums for a term dependent on human life :

(5) “ policy-holder ” means the person who for the time being is the legal holder of the policy for securing the contract with the Provident Insurance Society :

(6) where a Provident Insurance Society grants annuities upon human life, “ policy ” includes the instrument evidencing the contract to pay such an annuity, and “ policy-holder ” includes annuitant :

(7) “ prescribed ” means prescribed by rules made under this Act :

(8) “ Provident Insurance Society ” means any person who, or body of persons whether corporate or unincorporate which, receives premiums or contributions for insuring money to be paid on the birth, marriage or death of any person or on the happening of such other contingency or class of contingency as may be prescribed :

<sup>1</sup> For Statement of Objects and Reasons, see Gazette of India, 1911, Pt. V, p. 184 ; for Report of Select Committee, see *ibid*, 1912, Pt. V, p. 49 ; and for Proceedings in Council, see *ibid*, 1911, Pt. VI, p. 696, and *ibid*, 1912, Pt. VI, pp. 7, 152 and 457.

(9) "Registrar" means any person who may be appointed<sup>1</sup> by the Local Government to perform the duties of the Registrar under this Act.

3. Nothing in this Act shall apply to any Provident Insurance Society carrying on life assurance business, which undertakes to pay on any life assurance policy or series of life assurance policies on any one life, an annuity exceeding fifty rupees or a gross sum exceeding five hundred rupees, or which receives or undertakes to receive by way of premium or contribution for life assurance on any one life any sum exceeding two hundred and fifty rupees where the said premiums or contributions are payable for one year or a limited number of years, or exceeding twenty-five rupees in any one year where the premiums or contributions are unlimited in number and terminable on death or the occurrence of an uncertain event :

Provided that, in determining whether this Act applies to any Provident Insurance Society carrying on life insurance business, contracts entered into by the society before the commencement of this Act shall not be taken into consideration.

#### *General.*

4. No Provident Insurance Society shall receive any premium or contribution for insuring money to be paid on the death of any person other than the person paying such premium or contribution or the wife, husband, child, parent, brother or sister of such person.

5. Every Provident Insurance Society shall, by its rules,—

- (a) specify the object, name and registered office of the society ;
- (b) prescribe the proportion of the annual income of the society derived from premiums or contributions which may be disbursed for the expenses of management of the society ;
- (c) in the case of a society which by rule or practice divides any part of the funds thereof, provide for the payment of all debts due by the society existing at the time of division before any such division has taken place : and
- (d) provide for any other matters which may be prescribed.

Insurable interest.  
Provision to be made by rules.

6. (1) Every Provident Insurance Society shall, within three months from the commencement of this Act, or, if established after the commencement of this Act, before it receives any premium or contribution, apply to the Registrar for that part of British India in which the office of the society is situate for registration under this Act, and shall deliver to him a copy of the rules of the society.

Registration of Provident Insurance Societies.

<sup>1</sup> For notification appointing the Deputy Commissioner of Delhi to perform the duties of the Registrar, see Gazette of India, 1912, Pt. I, p. 1106.

For notification appointing 2nd Assistant to the Agent to the Governor General and Chief Commissioner of Baluchistan to perform the duties of Registrar, see Gazette of India, 1912, Pt. II, p. 1669.

(2) The Registrar shall, on being satisfied that such rules comply with the provisions of this Act, acknowledge the receipt of the rules and register the society and its rules.

(3) If the Registrar is not satisfied that the rules or any of them comply with the provisions of this Act, he shall send to the Provident Insurance Society a notice by post stating in what respect such rule or rules is or are not in accordance with the provisions of this Act, and calling upon such society to deliver to him an amended rule or rules within sixty days.

(4) On receipt of a notice under sub-section (3), the Provident Insurance Society may within sixty days deliver to the Registrar an amended rule or rules in conformity with this Act, and the Registrar shall thereupon acknowledge the receipt of the rules and register the society and its rules as hereinbefore provided.

Unregistered  
society not to  
receive pre-  
mium or con-  
tribution.

7. No Provident Insurance Society shall receive any premium or contribution, unless it is registered in accordance with the provisions of this Act :

Provided that this prohibition shall only apply to a society established before the commencement of this Act—

(a) when such society has applied for registration in accordance with the provisions of section 6, sub-section (1)—from the date of the order of the Registrar refusing registry :

(b) when such society has not applied as aforesaid—after three months from the commencement of this Act.

Amendment  
of rules.

8. (1) No amendment of any rule of a Provident Insurance Society shall be valid until the same has been registered under this Act, for which purpose a copy of the amended rule shall be sent to the Registrar.

(2) The Registrar shall, on being satisfied that any amendment of a rule is not contrary to the provisions of this Act, issue to the society an acknowledgment of the registration of the same.

Right to  
supply of  
copies of  
rules.

9. Every Provident Insurance Society shall, on demand, deliver free of cost to any member of the society a copy of the rules of the society, and to any person other than a member a copy of such rules on the payment of a sum not exceeding one rupee.

Register of  
members.

10. Every Provident Insurance Society which is not registered under the Indian Companies Act, 1882, shall cause to be kept in the prescribed form a register of the names and addresses of its members.

Publication of  
authorized  
subscribed  
and paid-up  
capital.

11. Where any notice, advertisement or other official publication of a Provident Insurance Society contains a statement of the amount of the authorized capital of the society, the publication shall also contain a statement of the amount of the capital which has been subscribed and the amount paid up.

Office.

12. Every Provident Insurance Society which is not registered under the Indian Companies Act, 1882, shall have an office on the outside of which it shall display and keep displayed its name in a conspicuous position in legible

<sup>1</sup> Genl. Acts, Vol. III, but see now Act 7 of 1913, *infra*.

etters, to which all communications and notices may be addressed, and shall give notice to the Registrar of the situation of such office and of any change herein.

13. Every Provident Insurance Society shall, at the expiration of each financial year, prepare a revenue-account and balance-sheet in the prescribed form and verified in the prescribed manner, and shall cause them to be audited by an auditor possessing the prescribed qualifications. Revenue-account and balance-sheet.

14. Every Provident Insurance Society shall, within six months of the expiration of each financial year, deliver to the Registrar the revenue-account and balance-sheet required by section 13, and shall publish them in the prescribed manner. Delivery and publication of revenue-account, etc.

15. Every Provident Insurance Society shall maintain in the prescribed form a record of every insurance effected on a life other than the life of the person insuring, and shall deliver a copy of such record to the Registrar, together with the balance-sheet and revenue-account. Record of insurances effected on life other than life of person insuring.

16. The books of every Provident Insurance Society shall at all reasonable hours be open to inspection by the Registrar, or by any person appointed by him in this behalf or by any member of the society. Inspection of books.

17. (1) The Registrar may, if he thinks fit, of his own motion, and shall, upon the application of ten or more members or policy-holders of a Provident Insurance Society, hold or direct an inquiry to be held by an actuary possessing the prescribed qualifications appointed by him by order in writing in this behalf as to the solvency of any Provident Insurance Society or as to the manner in which the business of any such society is conducted. Inquiry.

(2) An application to the Registrar under sub-section (1) shall be supported by such evidence as the Registrar may require for the purpose of showing that the applicants have good reason for applying for an inquiry.

(3) The Registrar may require the applicants under sub-section (1) to give such security as he thinks fit for the costs of the proposed inquiry before such an inquiry is held.

(4) All expenses of, and incidental to or preliminary to, any inquiry made on application as aforesaid shall be defrayed by the applicants therefor or out of the funds of the society or by the members or officers of the society in such proportions as the Registrar may direct by order in writing.

(5) An order made under sub-section (4) shall on application be enforced by any Civil Court having local jurisdiction in the same manner as a decree of such Court.

(6) A person holding an inquiry under this section shall have access to all the books and documents of the society, and shall have power to call upon the society and the officers of the society to furnish such statements and other information in relation to its business as he may direct.

(7) The result of the inquiry shall be communicated to the society and to the applicants (if any).

Cancellation  
of registry.

**18.** When an inquiry has been held under section 17, the Registrar may, if he is satisfied—

- (a) that the society is insolvent, or must necessarily become so, or
- (b) that the business of any such society is conducted fraudulently or not in accordance with the rules thereof,

after giving previous notice in writing in such manner as he thinks fit specifying briefly the grounds of the proposed cancellation, cancel the registry of the society.

Liquidators.

**19.** (1) Where the registry of a Provident Insurance Society is cancelled in accordance with the provisions of section 18, the Registrar may appoint a liquidator to wind up the society.

(2) A liquidator appointed under sub-section (1) shall have power—

- (a) to institute or defend any legal proceedings on behalf of the society by his name of office ;
- (b) to determine the contribution to be made by members of the society, respectively, to the assets of the society ;
- (c) to investigate all claims against the society and to decide questions of priority arising between claimants ;
- (d) to determine by what persons and in what proportions the costs of the liquidation are to be borne ; and
- (e) to give such directions in regard to the collection and distribution of the assets of the society as may appear to him to be necessary for winding up the affairs of the society.

(3) Subject to any rules of procedure made under this Act, a liquidator appointed under this section shall, in so far as such powers are necessary to carry out the purposes of this section, have power to summon and enforce the attendance of witnesses and to compel the production of documents by the same means and as far as may be in the same manner as is provided in the case of a Civil Court by the Code of Civil Procedure, 1908.

V of 1908.

(4) Orders made under this section shall on application be enforced as follows :—

- (a) when made by a liquidator, by any Civil Court having local jurisdiction in the same manner as a decree of such Court ;
- (b) when made by the Court on appeal, in the same manner as a decree of the Court.

#### *Appeals.*

Appeals.

**20.** (1) An appeal shall lie to the Court within thirty days—

- (a) from an order of the Registrar refusing to register a Provident Insurance Society or any rules or amendments of rules of such society ;
- (b) from an order of the Registrar cancelling the registry of a society ;
- (c) from an order made by a liquidator appointed under section 19.

(2) Save as hereinbefore expressly provided, orders made under this Act shall be final and conclusive.

*Offences and Procedure.*

21. Any Provident Insurance Society which makes default in complying with any of the requirements of this Act, and every director, manager or secretary or other officer or agent of the society, who is knowingly a party to the default, shall be punishable with fine which may extend to five hundred rupees, or, in the case of a continuing default, with fine which may extend to two hundred and fifty rupees for every day during which the default continues. Penalty for non-compliance with Act.

22. If any register, account, balance-sheet or other document required by this Act is false in any particular to the knowledge of any person who signs it, such person shall be punishable with imprisonment for a term which may extend to two years, or with fine, or with both. Penalty for falsifying documents.

23. No Court inferior to that of a Presidency Magistrate or a Magistrate of the first class shall try any offence against this Act. Cognizance of offences.

*Rules.*

24. (1) The Local Government may make rules to carry out the purposes of this Act. Rules.

(2) In particular and without prejudice to the generality of the foregoing power, such rules may prescribe—

- (a) contingencies or classes of contingencies and thereby extend the application of this Act to the receipt of premiums or contributions for insuring money to be paid on the happening of such contingencies or class of contingencies ;
- (b) the matters in respect of which a society shall make rules ;
- (c) the form of any account, return or register required by this Act, and the manner in which any such account, return or register shall be verified ;
- (d) the fees to be charged for matters transacted under this Act, and the manner in which the same are to be collected ;
- (e) the qualifications of auditors and actuaries under this Act ;
- (f) the manner in which any document required to be published by this Act shall be published ; and
- (g) the procedure to be followed by liquidators under this Act.

(3) The power to make rules conferred by this Act is subject to the condition of the rules being made after previous publication.



(4) All rules made under this Act shall be published in the local official Gazette, and on such publication shall have effect as if enacted therein.

*Miscellaneous.*

Saving of  
existing  
policies.

25. No policy effected before the commencement of this Act with a Provident Insurance Society shall be deemed to be void by reason only that the insurance is not authorized by this Act.

Power of  
Local Gov-  
ernment to  
exempt from  
provisions of  
the Act.

26. The Local Government may, by notification in the local official Gazette, and subject to such conditions and restrictions as it thinks fit,<sup>1</sup> exempt any Provident Insurance Society or class of Provident Insurance Societies from all or any of the provisions of this Act.

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THE INDIAN LIFE ASSURANCE COMPANIES ACT, 1912 (VI OF 1912).

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CONTENTS.

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*Preliminary.*

SECTIONS.

1. Short title and extent.
2. Definitions.
3. Companies to which Act applies.

*Deposits.*

4. Deposits.

*Accounts and Documents.*

5. Separation of funds.
6. Appropriation of life assurance fund.
7. Accounts and balance-sheets.
8. Actuarial report and abstract.
9. Actuarial abstract in case of mutual company.

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<sup>1</sup> For Notification by Government of Madras exempting the Tinnevely, C. M. S., Native Christian Provident Fund, see Fort St. George Gazette, 1912, Pt. I, p. 1022.

For Notification exempting the Lutheran Church Provident Fund, see *ibid.*, 1913, Pt. I, p. 467.  
 For Notification exempting the Muzvi Mandalam, Madikarigudde, Mangalore, see *ibid.*, 1913, Pt. I, p. 1572.

**SECTIONS.**

10. Statement of life assurance business.
11. Deposit of accounts, etc., with Governor General in Council.
12. Deposit of report.
13. Exemption from certain provisions of Act VI of 1882.
14. Right of shareholders, etc., to copies of accounts, etc.
15. Audit of accounts.
16. List of shareholders.
17. Deed of settlement.
18. Publication of authorised as well as subscribed and paid-up capital.
19. Requirements as to companies established outside British India.

*Amalgamation or Transfer.*

20. Amalgamation or transfer.
21. Statement in case of amalgamation or transfer.

*Winding-up.*

22. Special provisions as to winding-up of assurance companies.
23. Winding-up of subsidiary companies.
24. Valuation of annuities and policies.
25. Rules of valuation.
26. Power to Court to reduce contracts.

*Special Provisions relating to Accounts and Documents.*

27. Custody and inspection of documents deposited with Governor General in Council.
28. Accounts, etc., to be published.
29. Evidence of documents.
30. Evidence of copies of documents.
31. Alteration of forms.

*Companies carrying on business in the United Kingdom.*

32. Certain companies may apply to be declared companies which carry on life assurance business in the United Kingdom.
33. Application of the Act to companies which carry on life assurance business in the United Kingdom.

*Penalties and Procedure.*

34. Penalty for non-compliance with Act.
35. Penalty for falsifying statements, etc.
36. Cognizance of offences.

*Miscellaneous.*

## SECTIONS.

37. Appointment of inspectors.
38. Service of notices.
39. Powers to make rules.
40. Power of Governor General in Council to delegate to Local Governments the powers conferred by this Act.
41. Power of Governor General in Council to exempt from the provisions of the Act.
42. Amendment of Act VI, 1882, section 131.

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THE FIRST SCHEDULE.—REVENUE ACCOUNTS.

THE SECOND SCHEDULE.—PROFIT AND LOSS ACCOUNT.

THE THIRD SCHEDULE.—BALANCE-SHEETS.

THE FOURTH SCHEDULE.—STATEMENT RESPECTING VALUATION OF LIABILITIES.

THE FIFTH SCHEDULE.—STATEMENT OF LIFE ASSURANCE AND ANNUITY BUSINESS.

THE SIXTH SCHEDULE.—RULES FOR VALUING ANNUITIES, ETC.

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ACT NO. VI OF 1912<sup>1</sup>.

[18th March, 1912.]

An Act to provide for the regulation of Life Assurance Companies.

WHEREAS it is expedient to provide for the regulation of life assurance companies ; It is hereby enacted as follows :—

*Preliminary.*

Short title  
and extent.

1. (1) This Act may be called the Indian Life Assurance Companies Act, 1912.

(2) It extends to the whole of British India, inclusive of British Baluchistan, the Santhal Parganas and the Pargana of Spiti.

Definitions.

2. In this Act, unless there is anything repugnant in the subject or context,—

(1) “ actuary ” means an actuary possessing such qualifications as may be prescribed by rules made by the Governor General in Council :

(2) “ chairman ” means the person for the time being presiding over the board of directors or other governing body of a life assurance company :

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<sup>1</sup>For Statement of Objects and Reasons, see Gazette of India, 1911, Pt. V, p. 181 ; for Report of Select Committee, see *ibid*, 1912, Pt. V, p. 27 ; and for Proceedings in Council, see *ibid*, 1911, Pt. VI, p. 694, and *ibid*, 1912, Pt. VI, pp. 7, 151 and 432.

(3) " Court " means the principal Civil Court of original jurisdiction in a district, and includes the High Court in the exercise of its ordinary original civil jurisdiction :

(4) " financial year " means each period of twelve months at the end of which the balance of the accounts of the life assurance company is struck, or, if no such balance is struck, then the calendar year :

(5) " life assurance business " means the issue of, or the undertaking of liability under, policies of assurance upon human life, or the granting of annuities upon human life :

(6) " policy of assurance on human life " means any instrument by which the payment of money is assured on death (except death by accident only) or the happening of any contingency dependent on human life or any instrument evidencing a contract which is subject to payment of premiums for a term dependent on human life :

(7) " policy-holder " means the person who for the time being is the legal holder of the policy for securing the contract with the life assurance company :

(8) where a company grants annuities upon human life, " policy " includes the instrument evidencing the contract to pay such an annuity, and " policy-holder " includes annuitant : and

(9) " Registrar " means any person who may be<sup>1</sup> appointed by the Local Government to perform the duties of the Registrar under this Act.

3. Save as hereafter expressly provided, this Act shall apply to all persons or bodies of persons, whether corporate or unincorporate (which persons and bodies of persons are hereafter referred to as life assurance companies), whether established before or after the commencement of this Act and whether established within or without British India, who carry on life assurance business within British India. Companies to which Act applies.

*Explanation.*—A company registered under the Indian <sup>2</sup>Companies Act, 1882, which carries on life assurance business in any part of the world shall for the purposes of this section be deemed to be a company carrying on such business within British India.

*Exception.*—Nothing in this Act shall apply to any society to which the <sup>3</sup>Provident Insurance Societies Act, 1912, applies or to any Fund which the Governor General in Council may, by notification in the Gazette of India, exempt from the operation of this Act.

<sup>1</sup> For notification appointing the Deputy Commissioner of Delhi to perform the duties of the Registrar, see Gazette of India, 1912, Pt. I, p. 1106.

For notification appointing Revenue Commissioner in Baluchistan to perform the duties of Registrar, see Gazette of India, 1912, Pt. II, p. 1314.

<sup>2</sup> See now the Indian Companies Act, 1913 (7 of 1913), *infra* which came into force on the 1st April, 1914.

<sup>3</sup> *Supra*, p. 256.

*Deposits.*

## Deposits.

4. (1) Every life assurance company shall, if established before the commencement of this Act, within one year from such commencement, or, if established after such commencement, before it commences to carry on the business of life assurance, deposit and keep deposited with the Comptroller General,\* for and on behalf of the Governor General in Council, Government securities, as defined by the<sup>1</sup> Indian Securities Act, 1886, of the face value of twenty-five thousand rupees or of a face value equal to one-third of the income derived from life assurance business as shown in the revenue account for the last financial year, whichever is greater; and, until the company keeps deposited securities of the face value of two hundred thousand rupees, shall annually deposit and keep deposited in like manner like securities of a face value—

XIII of 1896

(a) equal to one-third of the income derived from life assurance business as shown in the revenue account for the last financial year, until the face value of the securities deposited exceeds one hundred thousand rupees;

(b) and thereafter equal in amount to one-third of the increase to the life assurance fund as shown in the revenue account for the last financial year :

Provided that a company may at any time deposit securities of a face value of two hundred thousand rupees or make up its deposit of securities to that value.

(2) The interest accruing due on the securities deposited under sub-section (1) shall be paid to the company.

(3) The deposit may be made by the subscribers of the memorandum of association of a company or any of them, in the name of a proposed company and, upon the incorporation of the company, shall be deemed to have been made by, and to be part of the assets of, the company, and the Registrar of Joint Stock Companies shall not issue a certificate, of incorporation of the company under the<sup>2</sup> Indian Companies Act, 1882, until the deposit has been made. VI of 1882

(4) The deposit shall be deemed to form part of the life assurance fund of the company.

*Accounts and Documents.*

## Separation of funds.

5. In the case of a life assurance company transacting other business besides that of life assurance, a separate account shall be kept of all receipts in respect of the life assurance business, and the said receipts shall be carried to and form a separate fund to be called the life assurance fund.

*Explanation.*—Nothing in this section shall be deemed to require any life assurance fund to be invested in separate investments from any other fund.

<sup>1</sup> Genl. Acts, Vol. III.

<sup>2</sup> See footnote 2 on p.265, *supra*.

but a separate balance-sheet as prescribed under section 7 shall be kept in respect of the life assurance fund.

*Exception.*—Nothing in this section shall apply to a life assurance company established before the commencement of this Act, by the terms of whose deed of settlement the whole of the profits of all the business carried on by the company are paid exclusively to the life policy-holders, and on the face of whose life policies the liability of the life assurance fund in respect of the other business distinctly appears.

6. The life assurance fund shall be as absolutely the security of the life policy-holders as though it belonged to a company carrying on no other business than life assurance business, and shall not be liable for any contracts of the company for which it would not have been liable had the business of the company been only that of life assurance, and shall not be applied, directly or indirectly, for any purposes other than those of life assurance.

*Exception.*—Nothing in this section shall affect the liability of the life assurance fund, in the case of a company established before the commencement of this Act, for contracts entered into by the company before such commencement.

7. Every life assurance company shall, at the expiration of each financial year, prepare—

- (a) a revenue account for the year in the form or forms set forth in the First Schedule and applicable to the class or classes of business carried on by the company ;
- (b) a profit and loss account in the form set forth in the Second Schedule, except where the company carries on life assurance business only and no other business ;
- (c) a balance-sheet or balance-sheets in the form or forms set forth in the Third Schedule ;
- (d) a statement containing the name of every person who during the year was a member of the board of directors or other governing body or was manager or secretary or held any similar office by whatever name called.

8. (1) Every life assurance company shall once in every five years, or at such shorter intervals as may be prescribed by the instrument constituting the company, or by its regulations or bye-laws, cause an investigation to be made into its financial condition, including a valuation of its liabilities, by an actuary, and shall cause an abstract of the report of such actuary to be made in the form set forth in the Fourth Schedule.

(2) The provision of sub-section (1) regarding the making of an abstract shall also apply whenever at any other time an investigation into the financial condition of a life assurance company is made with a view to the distribution of profits, or whenever the results of any such investigation are made public.

9. In the case of a mutual life assurance company whose profits are allocated to members wholly or mainly by annual abatements of premium,

Appropriation of life assurance fund.

Accounts and balance sheets.

Actuarial reports and abstract.

Actuarial abstract in case of

mutual  
company.

the abstract of the report of the actuary on the financial condition of the company prepared in accordance with the Fourth Schedule, may, notwithstanding anything in section 8, be made and returned at intervals not exceeding five years : Provided that, where such return is not made annually, it shall include particulars as to the rates of abatement of premiums applicable to different classes or series of assurances allowed in each year during the period which has elapsed since the previous return under the Fourth Schedule.

Statement of  
life assurance  
business.

**10.** Every life assurance company shall, within three years from the commencement of this Act, and thereafter at the date to which the accounts of the company are made up for the purposes of the investigation prescribed by section 8, prepare a statement of its assurance business in the form set forth in the Fifth Schedule : Provided that, if the investigation is made annually by any company, the company may prepare such a statement at any time, so that it be made at least once in every five years.

Deposit of  
accounts,  
etc., with  
Governor  
General in  
Council.

**11.** (1) Every account, balance-sheet, abstract or statement hereinbefore required to be made shall be printed, and four copies thereof, one of which shall be signed by the chairman and two directors of the company, and by the principal officer of the company, and if the company has a managing director, by the managing director, shall be deposited with the Governor General in Council within six months in the case of accounts and balance-sheets required by section 7, and within one year in other cases after the close of the period to which the account, balance-sheet, abstract or statement relates : Provided that, if in any case it is made to appear to the Governor General in Council that the circumstances are such that a longer period should be allowed, he may extend that period by such period as he may think fit.

(2) The Governor General in Council shall consider any document deposited in accordance with the provisions of sub-section (1) and, if any such document appears to the Governor General in Council to be inaccurate or defective in any respect, the Governor General in Council may call upon the company to furnish a further statement correcting any such inaccuracies or supplying any such deficiencies.

Deposit of  
report.

**12.** There shall be deposited with every revenue-account and balance-sheet of a life assurance company every report on the affairs of the company submitted to the shareholders or policy-holders of the company in respect of the financial year to which the account and balance-sheet relate.

Exemption  
from certain  
provisions of  
Act VI of  
1882.

**13.** Where a life assurance company registered under the<sup>1</sup> Indian Companies Act, 1882, in any year deposits its accounts and balance-sheet in accordance with the provisions of section 11, the company may, at the same time, send to the Registrar of Joint Stock Companies a copy of such accounts and balance-sheet, and, where such copy is so sent, it shall not be necessary for the company to file a balance-sheet with the Registrar of Joint Stock Companies as required by section 74 of the<sup>1</sup> Indian Companies Act, 1882, and the copy of the

VI of 1882.

VI of 1882.

<sup>1</sup> See footnote 2 on p. 265, *supra*.

accounts and balance-sheet so sent shall be dealt with in all respects as if it were a balance-sheet filed in accordance with that section.

14. A printed copy of the accounts, balance-sheet, abstract or statement last deposited shall, on the application of any shareholder or policy-holder of the company, be forwarded to him by the company by post or otherwise.

Right of shareholders, etc., to copies of accounts, etc.

15. The accounts of every life assurance company shall be audited annually in such manner as the Governor General in Council may prescribe.

Audit of accounts.

VI of 1882. 16. Every life assurance company which is not registered under the Indian Companies Act, 1882, shall keep a list of the names and addresses of its share-holders, and shall, on the application of any shareholder or policy-holder of the company, furnish to him a copy of such list on payment of a sum not exceeding two annas for every hundred words required to be copied.

List of share-holders.

VI of 1882. 17. Every life assurance company which is not registered under the Indian Companies Act, 1882, shall cause a sufficient number of copies of its deed of settlement or other instrument constituting the company to be printed, and shall, on the application of any shareholder or policy-holder of the company, furnish to him a copy of such deed of settlement or other instrument on payment of a sum not exceeding one rupee.

Deed of settlement.

18. Where any notice, advertisement or other official publication of a life assurance company contains a statement of the amount of the authorised capital of the company, the publication shall also contain a statement of the amount of the capital which has been subscribed and the amount paid up.

Publication of authorised as well as subscribed and paid-up capital.

19. (1) Every life assurance company, constituted outside British India, which establishes a place of business within British India, or appoints an agent in British India with the object of obtaining life assurance business, shall, within three months from the establishment of the place of business or the appointment of such agent, file with the Registrar—

Requirements as to companies established outside British India.

(a) a certified copy of the charter, statutes or memorandum and articles of the company, or other instrument constituting or defining the constitution of the company, and, if the instrument is not written in the English language, a certified translation thereof ;

(b) a list of the directors of the company ;

(c) the names and addresses of some one or more persons resident in British India authorised to accept on behalf of the company service of process and any notices required to be served on the company ;

and, in the event of any alteration being made in any such instrument or in the list of directors or in the names and addresses of such persons as aforesaid, the company shall, within such time as the Governor General in Council may prescribe, file with the Registrar a notice of the alteration.

(2) Any process or notice required to be served on the company shall be sufficiently served if addressed to any person whose name has been so filed as aforesaid and left at or sent by post to the address which has been so filed.

<sup>1</sup> See footnote 2 on p. 265, *supra*.



(3) There shall be paid to the Registrar for registering any document, required by this section to be filed, a fee of five rupees or such smaller fee as the Governor General in Council may prescribe.

*Amalgamation or Transfer.*

Amalgama-  
tion or  
transfer.

§0. (1) Where it is intended to amalgamate two or more life assurance companies, or to transfer the life assurance business of one company to another, the directors of any one or more of such companies may apply to the Court, by petition, to sanction the proposed arrangement.

(2) Before any such application is made to the Court—

- (a) notice of the intention to make the application shall be published in the Gazette of India and in the local official Gazette of the Province in which the principal place of business of the company is situate at least two months before the application is made ;
- (b) a statement of the nature of the amalgamation or transfer, as the case may be, together with an abstract containing the material facts embodied in the agreement or deed under which the amalgamation or transfer is proposed to be effected, and copies of the actuarial or other reports upon which the agreement or deed is founded, including a report by an independent actuary, shall, unless the Court otherwise directs, be transmitted to each policy-holder of each company ; and
- (c) the agreement or deed under which the amalgamation or transfer is effected shall be open for the inspection of the policy-holders and shareholders at the offices of the companies for a period of fifteen days after the last publication of the notice.

(3) The Court, after hearing the directors and other persons whom it considers entitled to be heard upon the petition, may sanction the arrangement if it is satisfied that no sufficient objection to the arrangement has been established.

(4) The Court shall not sanction the amalgamation or transfer in any case in which it appears to the Court that the life policy-holders representing one-tenth or more of the total amount assured in any company which it is proposed to amalgamate, or in any company the business of which it is proposed to transfer, dissent from the amalgamation or transfer.

(5) No life assurance company shall amalgamate with another, or transfer its business to another, unless the amalgamation or transfer is sanctioned by the Court in accordance with this section.

Statement in  
case of  
amalgamation  
or transfer.

21. Where an amalgamation takes place between any life assurance companies, or where any life assurance business of one such company is transferred to another company, the combined company or the purchasing company, as the case may be, shall within one month from the date of the completion

of the amalgamation or transfer, deposit with the Governor General in Council—

- (a) certified copies of statements of the assets and liabilities of the companies concerned in such amalgamation or transfer, together with a statement of the nature and terms of the amalgamation or transfer ; and
- (b) a certified copy of the agreement or deed under which the amalgamation or transfer is effected ; and
- (c) certified copies of the actuarial or other reports upon which that agreement or deed is founded ; and
- (d) a declaration under the hand of the chairman of each company, and the principal officer of each company, that to the best of their belief every payment made or to be made to any person whatsoever on account of the amalgamation or transfer is therein fully set forth, and that no other payments beyond those set forth have been made or are to be made either in money, policies, bonds, valuable securities or other property by or with the knowledge of any parties to the amalgamation or transfer.

*Winding-up.*

WI of 1882. 22. The Court may order the winding-up of a life assurance company, in accordance with the Indian Companies Act, 1882, and the provisions of that Act shall apply accordingly, subject, however, to the modification that the company may be ordered to be wound up—

Special provisions as to winding-up of assurance companies.

- (a) on the petition of ten or more policy-holders :  
Provided that such a petition shall not be presented except by the leave of the Court, and leave shall not be granted until a *prima facie* case has been established to the satisfaction of the Court, and until security for costs for such amount as the Court may think reasonable has been given ; or
- (b) on application made on behalf of the Governor General in Council, showing that from a consideration of the documents deposited with him under the provisions of this Act it appears to him that the company is insolvent.

23. (1) Where a life assurance business or any part of the life assurance business of a life assurance company has been transferred to another company under an arrangement in pursuance of which the first-mentioned company (in this section called the subsidiary company) or the creditors thereof has or have claims against the company to which such transfer was made (in this section called the principal company), then, if the principal company is being wound up by or under the supervision of the Court, the Court shall (subject

Winding-up of subsidiary companies.

<sup>1</sup> See footnote 2 on p. 265, *supra*.

hereinafter mentioned) order the subsidiary company to be wound up in conjunction with the principal company, and may by the same or any subsequent order appoint the same person to be liquidator for the two companies, and make provision for such other matters as may seem to the Court necessary with a view to the companies being wound up as if they were one company.

(2) The commencement of winding-up of the principal company shall, save otherwise ordered by the Court, be the commencement of the winding-up of the subsidiary company.

(3) In adjusting the rights and liabilities of the members of the several companies between themselves, the Court shall have regard to the constitution of the companies, and to the arrangements entered into between the companies in the same manner as the Court has regard to the rights and liabilities of different classes of contributories in the case of the winding-up of a single company, or as near thereto as circumstances admit.

(4) Where any company alleged to be subsidiary is not in process of being wound up at the same time as the principal company to which it is subsidiary, the Court shall not direct the subsidiary company to be wound up unless, after hearing all objections (if any) that may be urged by or on behalf of the company against its being wound up, the Court is of opinion that the company is subsidiary to the principal company, and that the winding-up of the company in conjunction with the principal company is just and equitable.

(5) An application may be made in relation to the winding-up of any subsidiary company in conjunction with a principal company by any creditor of, or person interested in, the principal or subsidiary company.

(6) Where a company stands in the relation of a principal company to one company, and in the relation of a subsidiary company to some other company, or where there are several companies standing in the relation of subsidiary companies to one principal company, the Court may deal with any number of such companies together or in separate groups as it thinks most expedient upon the principles laid down in this section.

Valuation of  
annuities and  
policies.

24. Where a life assurance company is being wound up by the Court, or subject to the supervision of the Court, or voluntarily, the value of a policy or of a liability under a policy requiring to be valued in such winding-up shall be estimated in manner applicable to policies and liabilities provided by the Sixth Schedule.

Rules of  
valuation.

25. The rules in the Sixth Schedule shall be of the same force, and may be repealed, altered or amended as if they were rules made in pursuance of section 254 of the Indian Companies Act, 1882, and rules may be made under VI of 1882 that section for the purpose of carrying into effect the provisions of this Act with respect to the winding-up of life assurance companies.

Power to  
Court to

26. The Court, in the case of a life assurance company which has been proved to be unable to pay its debts, may, if it thinks fit, reduce the amount.

<sup>1</sup> See footnote 2 on p. 265, *supra*.

of the contracts of the company upon such terms and subject to such conditions as it thinks just, in place of making a winding-up order. reduce contracts.

*Special Provisions relating to Accounts and Documents.*

27. The Governor General in Council may direct any documents deposited with him under this Act, or certified copies thereof, to be kept by the Registrar or by any other officer appointed in this behalf, and any such documents and copies shall be open to inspection, and copies thereof may be procured by any person on payment of such fees as the Governor General in Council may direct. Custody and inspection of documents deposited with Governor General in Council.

28. The Governor General in Council shall annually publish in the Gazette of India and cause to be published in the local official Gazette of the Province in which the life assurance company has its principal place of business the accounts, balance-sheets, abstracts, statements and other documents under this Act, or purporting to be under this Act, deposited with him during the preceding year, except reports on the affairs of life assurance companies submitted to the shareholders or policy-holders thereof, and may append to such accounts, balance-sheets, abstracts, statements or other documents, any note of the Governor General in Council thereon, and any correspondence in relation thereto. Accounts, etc., to be published.

29. Every document deposited under this Act with the Governor General in Council, and certified by the Registrar or by any person appointed in that behalf by the Governor General in Council to be a document so deposited, shall be deemed to be a document so deposited. Evidence of documents.

30. Every document purporting to be certified by the Registrar, or by any person appointed in that behalf by the Governor General in Council, to be a copy of a document so deposited, shall be deemed to be a copy of that document, and shall be received in evidence as if it were the original document unless some variation between it and the original document be proved. Evidence of copies of documents.

31. The Governor General in Council may, on the application or with the consent of a life assurance company, alter the forms contained in the Schedules to this Act as respects that company, for the purpose of adapting them to the circumstances of that company. Alteration of forms.

*Companies carrying on business in the United Kingdom.*

32. (1) An assurance company which carries on life assurance business in the United Kingdom in accordance with the Assurance Companies Act, 1909, may, if carrying on life assurance business in British India before the commencement of this Act, within three months of such commencement, or, in any other case, before it commences to carry on life assurance business, Certain companies may apply to be declared companies which carry on life assurance

<sup>1</sup> For rules under the section in conjunction with section 39 see Gazette of India, 1913, Pt. I, p. 703.

business in  
the United  
Kingdom.

in British India, apply to the Governor General in Council for a declaration that it so carries on such business in the United Kingdom.

(2) A company applying under the provisions of sub-section (1) shall furnish, at the time of its application or at such further time as the Governor General in Council may prescribe, such evidence as he may direct of the facts alleged in its application.

(3) Where the Governor General in Council is satisfied that a life assurance company applying as aforesaid is a life assurance company which carries on business in the United Kingdom in accordance with the Assurance Companies Act, 1909, he shall, by notification in the Gazette of India, make a declaration to that effect, and shall cause such notification to be republished in the local official Gazette of the Province where the company has or proposes to have its principal place of business. <sup>9 Edw. VII, cap. 49.</sup>

Application  
of the Act  
to companies  
which carry  
on life assur-  
ance business  
in the United  
Kingdom.

**33.** Where the Governor General in Council has notified a declaration in accordance with the provisions of section 32 in respect of a life assurance company, nothing in section 4, section 5, sections 7 to 12, sections 15, 20, 21 or 37 shall apply to the company :

Provided that—

(1) the company shall deposit with the Governor General in Council, in the manner prescribed in section 11, copies of every account, balance-sheet, abstract, statement or other document which the company is required by the Assurance Companies Act, 1909, to deposit at the Board of Trade. <sup>9 Edw. VII, cap. 49.</sup>

(2) if, at any time, a company in respect of which a declaration has been notified under section 32 ceases to carry on life assurance business in the United Kingdom in accordance with the provisions of the Assurance Companies Act, 1909, it shall, if it continues to carry on life assurance business in British India, be subject to all the provisions of this Act from the date it ceased to carry on such business in the United Kingdom in accordance with the said Act. <sup>9 Edw. VII, cap. 49.</sup>

#### *Penalties and Procedure.*

Penalty for  
non-com-  
pliance with  
Act.

**34.** Any life assurance company which makes default in complying with any of the requirements of this Act, and every director, manager, or secretary, or other officer or agent of the company who is knowingly a party to the default shall be punishable with fine which may extend to one thousand rupees, or, in the case of a continuing default, with fine which may extend to five hundred

<sup>1</sup> For such a declaration in respect of certain companies, see Gazette of India, 1912, Pt. I, pp. 756, 786, 820, 833, 852, 981 and 1018 and *ibid*, 1913, Pt. I, p. 14.

VI of 1882.

rupees for every day during which the default continues; and, if default continues for a period of three months after notice of default by the Governor General in Council (which notice shall be published in one or more newspapers as the Governor General in Council may, upon the application of one or more policy-holders or shareholders, direct), the default shall be a ground on which the Court may order the winding-up of the company, in accordance with the <sup>1</sup>Indian Companies Act, 1882.

35. If any account, balance-sheet, abstract, statement or other document required by this Act is false in any particular to the knowledge of any person who signs it, such person shall be punishable with imprisonment for a term which may extend to two years, or with fine, or with both. Penalty for falsifying statements, etc.

36. No Court inferior to that of a Presidency Magistrate or a Magistrate of the first class shall try any offence against this Act. Cognizance of offences.

### *Miscellaneous.*

VI of 1882.

37. (1) The Governor General in Council may appoint one or more inspectors to examine into the affairs of any life assurance company, and to report thereon in such manner as he may direct— Appointment of inspectors.

(i) in the case of a life assurance company which is not registered under the <sup>1</sup>Indian Companies Act, 1882, upon the application—

(a) of shareholders being in number not less than one-fifth of the whole number of persons for the time being entered on the list of shareholders kept in accordance with the provisions of section 16; or

(b) of twenty or more policy-holders owning policies of an aggregate value of not less than twenty thousand rupees;

(ii) in any case where a life assurance company has failed to furnish a further statement when required to do so under the provisions of section 11, sub-section (2), or where the Governor General in Council is of opinion that any such further statement is insufficient or unsatisfactory.

VI of 1882.

(2) On an appointment being made under sub-section (1), the provisions of section 84 of the <sup>1</sup>Indian Companies Act, 1882, shall apply to the examination made by such inspectors.

38. Any notice or other document which is by this Act required to be sent to any policy-holder may be addressed and sent to the person to whom notices respecting such policy are usually sent, and any notice so addressed Service of notices.

<sup>1</sup> See footnote 2 on p. 265, *supra*.

and sent shall be deemed and taken to be notice to the holder of such policy :

Provided that, where any person claiming to be interested in a policy has given to the company notice in writing of his interest, any notice which is by this Act required to be sent to policy-holders shall also be sent to such person at the address specified by him in his notice.

Powers to  
make rules.

**39.** (1) The Governor General in Council may make rules to carry out the purposes of this Act.

(2) In particular and without prejudice to the generality of the foregoing power, such rules may—

- (a) prescribe the qualifications to be possessed by actuaries, auditors and inspectors under this Act, and the manner in which the accounts of life assurance companies shall be audited ;
- (b) prescribe the time within, and the form in which, notice of alteration of the particulars specified in section 19 of the Act shall be filed with the Registrar ;
- (c) subject to the provisions of this Act, prescribe the fees payable thereunder.

(3) All rules made under this Act shall be published in the Gazette of India, and, on such publication, shall have effect as if enacted in this Act.

Power of  
Governor  
General in  
Council to  
delegate to  
Local Gov-  
ernments the  
powers con-  
ferred by  
this Act.

**40.** The Governor General in Council may, by notification in the Gazette of India, and subject to such conditions and restrictions as he thinks fit, delegate to any Local Government all or any of the powers (other than the power to make rules under section 39) conferred on him by this Act.

Power of  
Governor  
General in  
Council to  
exempt from  
the provi-  
sions of the  
Act.

**41.** The Governor General in Council may, by notification in the Gazette of India, and subject to such restrictions and conditions as he thinks fit, exempt any life assurance company from all or any of the provisions of this Act.

Amendment  
of Act VI,  
1882, section  
131.

**42.** In section 131 of the <sup>3</sup>Indian Companies Act, 1882, the words from VI of 1882: " In the case of a life assurance company " to " unable to pay its debts " are hereby repealed.

<sup>1</sup> For rules under this section in conjunction with section 27 see Gazette of India, 1913, Pt. I, p. 703, and *ibid*, Pt. I, 1914, p. 841.

<sup>2</sup> For notification exempting certain Companies, see Gazette of India, 1912, Pt. I, p. 834, and *ibid*, 1913, Pt. I, p. 57.

<sup>3</sup> See footnote 2 on p. 265, *supra*

## THE FIRST SCHEDULE.

(See section 7.)

REVENUE ACCOUNTS OF THE \_\_\_\_\_ FOR THE YEAR ENDING \_\_\_\_\_

## (A) Life Assurance Account.

	Rs.		Rs.
Amount of life assurance fund at the beginning of the year.		Dividends payable on 19 for the year ending 19 . (This is only to be stated here by companies not supplying a Profit and Loss account.) (Claims under policies paid and outstanding—	
		By death . . . . .	
		By maturity . . . . .	
Premiums . . . . .		Surrenders, including surrenders of bonus additions.	
		Annuities . . . . .	
		Bonuses in cash . . . . .	
		Bonuses in reduction of premiums	
Consideration for annuities granted *(see Note 1).		Expenses of management :—	
		Commission . . . . .	
		Agents' and Canvassers' allowances	
		Salaries, etc. (other than to Agents and Canvassers).	
Interests, dividend and rents.	Rs.	Travelling expenses. . . . .	
		Directors' fees . . . . .	
		Auditors' fees . . . . .	
		Medical fees . . . . .	
		Rents for offices belonging to, and occupied by, the company.	
Less income-tax thereon.		Rents of other offices occupied by the company.	
		Law charges. . . . .	
		Advertising . . . . .	
		Printing and stationery . . . . .	
		Other expenses of management (accounts to be specified).	
Other receipts (accounts to be specified).		Other payments (accounts to be specified).	
		Amount of life assurance fund at the end of the year, as per third Schedule.	
	Rs.		Rs.

\* NOTE 1.—Companies having a separate annuity fund with investments separate from those of the life assurance fund to return the particulars of their annuity business in a separate statement, in Form B of this Schedule.

NOTE 2.—Items in this account to be net amounts after deduction of the amounts paid and received in respect of reassurances of the company's risk.

NOTE 3.—If any sum has been deducted from the expenses of management account, and taken credit for in the balance-sheet as an asset, the sum so deducted to be separately shown in the above account.



(B) Revenue Account applicable to annuity business of those companies having a separate annuity fund, the investments of which are kept separate from those of the life assurance fund.

	Rs.		
Amount of annuity fund at the beginning of the year.		Annuities . . . . .	-
Consideration for annuities granted.		Surrenders . . . . .	
		Expenses of management :—	
Interests, dividends and rents.	Rs.	Commission . . . . .	
Less income tax thereon.		Other expenses (to be specified)	
Other receipts. . . . .		Other payments (accounts to be specified).	
		Amount of annuity fund at the end of the year as per balance-sheet.	
	Rs.		Rs.

NOTE.—Items in this account to be net amounts after deduction of the amounts paid and received in respect of reassurances of the company's risks.

(C) General Revenue Account applicable to all classes of business other than life assurance and annuity transactions.

	Rs.		Rs.
Amounts of funds at the beginning of the year.		(Claims less reassurances (accounts to be specified).	
Premiums (accounts to be specified).		Expenses of management :—	
		Commission . . . . .	
Interests, dividends and rents.	Rs.	Other expenses (to be specified).	
Less income-tax thereon		Losses (accounts to be specified).	
Profits (accounts to be specified) .		Other payments (accounts to be specified).	
Other receipts (to be specified) .		Amount of funds at the end of the year as per balance-sheet.	
	Rs.		Rs.

NOTE 1.—All the items in the above account to be exclusive of life assurance and annuity transactions.

NOTE 2.—Items in this account to be net amounts after deduction of the amounts paid and received in respect of reassurances of the company's risks.

(D) Statement to be submitted along with the Revenue Account by all life assurance companies.

Class of policy.	TOTAL NEW LIFE ASSURANCES COMPLETED IN INDIA DURING THE YEAR 19 .			PORTION THEREOF REASSURED.		
	Sum Assured.	Annual Premium.	Single Premium.	Sum Assured.	Annual Premium.	Single Premium.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Whole life . . . . .						
Whole life by limited payments.						
Endowment assurances.						
Pure endowments . . . . .						
Term assurances.						
Other classes . . . . .						
TOTAL . . . . .						

State also :—

New annuities (state number and annual amount).

Total sums assured and bonuses (less reassurances) remaining in force at end of year 19 on lives of residents in India.

Number and amount of annuities (less reassurances) remaining in force at end of year 19 on lives of residents in India.

Largest sum for which the company has granted an assurance on any one life during the year, after deduction of any portion reassured.

Statement of the total investments in India of the life assurance and annuity funds.

## THE SECOND SCHEDULE.

(See section 7.)

PROFIT AND LOSS ACCOUNT OF THE \_\_\_\_\_ FOR THE YEAR ENDING \_\_\_\_\_ 19

	Rs.		Rs.
Balance of last year's account . . . . .		Dividends and bonuses to shareholders payable on 19 , for the year ending 19 .	
Interest and dividends not carried to other accounts.	Rs.	Expenses not charged to other accounts.	
Less income-tax thereon		Loss realised (accounts to be specified) Other payments (accounts to be specified).	
Profit realized (accounts to be specified).		Balance as per Third Schedule. . . . .	
Other receipts (accounts to be specified).			
	Rs.		Rs.

## THE THIRD SCHEDULE.

(See section 7.)

(A) BALANCE-SHEET \_\_\_\_\_ OF THE \_\_\_\_\_ ON THE \_\_\_\_\_ 19 \_\_\_\_

LIABILITIES.	Rs.	ASSETS.	Rs.
Life assurance fund—	Rs.	Assets of life assurance fund as per separate balance-sheet (if any).	
Outstanding liabilities of life assurance fund.		Assets of annuity fund as per separate balance-sheet (if any).	
Annuity fund (if any) as per separate balance-sheet.		Assets of funds other than those shown in the above mentioned balance-sheets.	
Outstanding liabilities of annuity fund.		Mortgages on property within India. .	
Shareholders' capital paid up (if any).		Do. do. out of India. .	
Profit and loss account (if any)		Loans on public rates . . . .	
Funds contained in General Revenue Account (if any) [Schedule I (c)].		Do. life interests and reversions.	
Other sums owing by the Company		Do. stocks and shares. . . .	
(Accounts to be specified and stated separately under each class of business.)		Do. company's policies within their surrender values.	
		Do. personal security . . . .	
		Investments—	
		Deposit with the Comptroller-General (securities to be specified).	
		Indian Government securities. .	
		British and Colonial Government securities.	
		Foreign Government securities .	
		Indian Municipal and Provincial securities.	
		British and Colonial securities .	
		Foreign ditto ditto . . . .	
		Bonds, debentures, stocks and other securities whereon interest is guaranteed by the Indian Government	
		Bonds, debentures, stocks and other securities whereon interest is guaranteed by the British or any Colonial Government.	
		Bonds, debentures, stocks and other securities whereon interest is guaranteed by any Foreign Government.	

(A) BALANCE-SHEET \_\_\_\_\_ OF THE \_\_\_\_\_ ON THE \_\_\_\_\_ 19 —(contd).

LIABILITIES.	Rs.	ASSETS.	Rs.
		Ordinary stocks and shares of any Indian Presidency Bank.	
		Debentures of any Railway in India.	
		Debentures of any Railway out of India.	
		Preference or guaranteed shares of any Railway in India.	
		Preference or guaranteed shares of any Railway out of India.	
		Ordinary stocks and shares of any Railway in India.	
		Ordinary stocks and shares of any Railway out of India.	
		House property in India . . . .	
		House property out of India . . . .	
		Freehold and leasehold ground rents and rent charges in India.	
		Life interests and reversions in India.	
		Life interests and reversions out of India.	
		Other investments in India (to be specified).	
		Other investments out of India (to be specified).	
		Agents' balances . . . . .	
		Outstanding premiums* . . . . .	
		Outstanding interests, dividends and rents.*	
		Interest accrued but not payable *	
		Bills receivable . . . . .	
		Cash—	
		On deposit . . . . .	
		In hand and on current account	
		Other assets (to be specified) . . . .	
	Rs.		Rs.

\* These items are or have been included in the corresponding items in the first Schedule.

NOTE 1.—When part of the assets of the company are specifically deposited under local laws in various places out of India, as security to holders of life assurance policies there issued, each such place and the amount compulsorily lodged therein must be specified.

NOTE 2.—The balance-sheet must state how the values of the stock exchange securities are arrived at, and on the occasions when a statement respecting valuation under the Fourth Schedule is made, a certificate must be appended, signed by the same persons as signed the balance-sheet, to the effect that in their belief the assets set forth in the balance-sheet are in the aggregate fully of the value stated therein, less any investment reserve fund taken into account.

NOTE 3.—Companies having investments with any uncalled liability shall state separately the full amount thereof.

NOTE 4.—Particulars must be given of all loans, including temporary advances, except loans on policies within their surrender values, made at any time during the year to any director or officer of a company or to any other company in which any of the said directors or officers may hold the position either of director or of officer.

(B) BALANCE-SHEET OF THE LIFE ASSURANCE FUND \_\_\_\_\_ ON THE  
 \_\_\_\_\_ 19 , TO BE COMPLETED BY COMPANIES DOING  
 BUSINESS OTHER THAN LIFE ASSURANCE FOR WHICH THEY HAVE SEPARATE  
 FUNDS.

LIABILITIES.	Rs.	ASSETS.	Rs.
Life assurance fund . . . .		Mortgages on property within India .	
		Do. do. out of India .	
Claims admitted or intimated * but not paid.		Loans on public rates . . . .	
		Do. life interests and reversioners .	
		Do. Stocks and shares . . . .	
Other sums owing by the com- pany* (under this class of busi- ness).		Do. company's policies within their surrender values.	
		Do. personal security . . . .	
		Investments :—	
		Deposit with the Comptroller General (securities to be speci- fied).	
		Indian Government securities .	
		British and Colonial Government securities.	
		Foreign Government securities. .	
		Indian Municipal and Provincial securities.	
		British and Colonial securities .	
		Foreign do. do. . . .	
		Bonds, debentures, stocks and other securities whereon interest is guaranteed by the Indian Government.	
		Bonds, debentures, stocks and other securities whereon interest is guaranteed by the British or any Colonial Government.	
		Bonds, debentures, stocks and other securities whereon interest is guaranteed by any Foreign Government.	
		Ordinary stocks and shares of any Indian Presidency Bank.	
		Debentures of any Railway in India	
		Debentures of any Railway out of India.	
		Preference or guaranteed shares of any Railway in India.	
		Preference or guaranteed shares of any Railway out of India.	
		Ordinary stocks and shares of any Railway in India.	

\* These items are or have been included in the corresponding items in the First Schedule.

(B) BALANCE-SHEET OF THE LIFE ASSURANCE FUND \_\_\_\_\_ ON THE  
 \_\_\_\_\_ 19 , TO BE COMPLETED BY COMPANIES DOING  
 BUSINESS OTHER THAN LIFE ASSURANCE FOR WHICH THEY HAVE SEPARATE  
 FUNDS.

LIABILITIES.	Rs.	ASSETS.	Rs.
		Ordinary stocks and shares of any Railway out of India.	
		House property in India . . . . .	
		House property out of India . . . . .	
		Freehold and leasehold ground rents and rent-charges in India.	
		Life interests and reversions in India.	
		Life interests and reversions out of India.	
		Other investments in India (to be specified).	
		Other investments out of India (to be specified).	
		Agents' balances . . . . .	
		Outstanding premiums* . . . . .	
		Do. interests, dividends and rents.*	
		Interest accrued but not payable *	
		Bills receivable . . . . .	
		Cash—	
		On deposit . . . . .	
		In hand and on current account .	
		Other assets (to be specified) . . .	
	Rs.		Rs.

\* These items are or have been included in the corresponding items in the First Schedule.

NOTE 1.—When part of the assets of the company are specifically deposited under local laws in various places out of India, as security to holders of life assurance policies there issued, each such place and the amount compulsorily lodged therein must be specified.

NOTE 2.—A balance-sheet in the above form must be rendered in respect of the annuity fund if the investments of that fund are distinct from those of the life assurance fund.

NOTE 3.—The balance-sheet must state how the values of the stock exchange securities are arrived at, and on the occasions when a statement respecting valuation under the Fourth Schedule is made, a certificate must be appended, signed by the same persons as signed the balance sheet, to the effect that in their belief the assets set forth in the balance-sheet are in the aggregate fully of the value stated therein, less any investment reserve fund taken into account.

NOTE 4.—A certificate must be appended hereto, signed by the same persons as signed the balance-sheet (Form A), and by the auditor, to the effect that no part of any such fund has been applied, directly or indirectly, for any purpose other than the class of business to which it is applicable.

NOTE 5.—Companies having investments with any uncalled liability shall state separately the full amount thereof.

NOTE 6.—Particulars must be given of all loans, including temporary advances, except loans on policies within their surrender values, made at any time during the year to any director or officer of a company, or to any other company in which any of the said directors or officers may hold the position either of director or of officer.

## THE FOURTH SCHEDULE.

*(See sections 8 and 9.)*

STATEMENT RESPECTING THE VALUATION OF THE LIABILITIES UNDER LIFE POLICIES AND ANNUITIES OF THE \_\_\_\_\_, TO BE MADE AND SIGNED BY THE ACTUARY.

(The answers should be numbered to accord with the numbers of the corresponding questions.)

1. The date up to which the valuation is made.
2. The general principles adopted in the valuation, and the method followed in the valuation of particular classes of assurances, including a statement of the method by which the net premiums have been arrived at, and whether these principles were determined by the instrument constituting the company or by its regulations or bye-laws, or how otherwise ; together with a statement of the manner in which policies on under average lives are dealt with.
3. The table or tables of mortality used in the valuation. In cases where the tables employed are not published, specimen policy values are to be given at the rate of interest employed in the valuation, in respect of whole-life assurance policies effected at the respective ages of 20, 30, 40 and 50, and having been respectively in force for 5 years, 10 years, and upwards at intervals of five years, respectively ; with similar specimen policy values in respect of endowment assurance policies, according to age at entry, original term of policy and duration.
4. The rate or rates of interests assumed in the calculations.
5. The actual proportion of the annual premium income (if any), reserved as a provision for future expenses and profits, separately specified in respect of assurances with immediate profits, with deferred profits, and without profits. (If none; state how this provision is made.)
6. The consolidated revenue-account since the last valuation, or in case of a company which has made no valuation, since the commencement of the business. (This return should be made in the form annexed. No return under this heading will be required where a statement under this schedule is deposited annually.)
7. The liabilities of the company under life policies and annuities at the date of the valuation, showing the number of policies, the amount assured and the amount of premiums payable annually under each class of policies, both with and without participation in profits ; and also the net liabilities and assets of the company with the amount of surplus or deficiency. (These returns to be made in the forms annexed.)
8. The principles upon which the distribution of profits among the shareholders and policy holders is made, and whether these principles were determined by the instrument constituting the company or by its regulations or bye-laws, or how otherwise, and the number of years' premiums to be paid before a bonus (a) is allotted, and (b) vests.

**9. The results of the valuation, showing—**

(1) the total amount of profit made by the company, allocated as follows:—

- (a) among the policy-holders with immediate participation, and the number and amount of the policies which participated ;
- (b) among policy-holders with deferred participation, and the number and amount of the policies which participated ;
- (c) among the shareholders ;
- (d) to reserve funds, or other accounts ;
- (e) carried forward unappropriated ;

(2) specimens of bonuses allotted to whole life assurance policies for Rs. 1,000 effected at the respective ages of 20, 30, 40 and 50, and having been respectively in force for five years, 10 years and upwards at intervals of 5 years respectively, together with the amounts apportioned under the various modes in which the bonus might be received ; with similar specimen bonuses and particulars in respect of endowment assurance policies, according to age at entry, original term of policy, and duration.

**(Form referred to under Heading No. 6 in Fourth Schedule.)**

*Consolidated Revenue Account of the \_\_\_\_\_ for \_\_\_\_\_ years  
commencing \_\_\_\_\_ and ending \_\_\_\_\_*

	Rs.		Rs.
Amount of life assurance fund at the beginning of the period		Claims under policies paid and outstanding—	
Premiums . . . . .		By death . . . . .	
Consideration of annuities granted		By maturity . . . . .	
	Rs.	Surrenders . . . . .	
Interest, dividends and rents .		Annuities . . . . .	
Less income-tax thereon .		Bonuses in cash . . . . .	
Other receipts (accounts to be specified).		Bonuses in cash reduction of premiums	
		Commission . . . . .	
		Expenses of management . . . . .	
		Other payments (accounts to be specified).	
		Amount of life assurance fund at the end of the period as per Third Schedule.	
	Rs.		Rs.

• NOTE.—If any sum has been deducted from the expenses of management account and taken credit for in the balance-sheet as an asset, the sum so deducted to be separately shown in the above statement.



(Form referred to under Heading No. 7 in Fourth Schedule.)

Summary and valuation of the policies of the \_\_\_\_\_ as at \_\_\_\_\_ 19 .

	PARTICULARS OF THE POLICIES FOR VALUATION.				VALUATION.			
	Number of policies.	Sums assured and bonuses.	Office yearly premiums.	Net yearly premiums.	Value by the interest		Table, per cent.	
					Sums assured and bonuses.	Office yearly premiums.	Net yearly premiums.	Net liability.
ASSURANCES.								
I.— <i>With immediate participation in profits.</i>								
For whole term of life . . . .								
Other classes (to be specified) . .								
Extra premiums payable . . . .								
II.— <i>With deferred participation in profits.</i>								
For whole term of life . . . .								
Other classes (to be specified) . .								
Extra premiums payable . . . .								
TOTAL ASSURANCES WITH PROFITS.								
III.— <i>Without participation in profits.</i>								
For whole term of life . . . .								
Other classes (to be specified) . .								
Extra premiums . . . .								
TOTAL ASSURANCES WITHOUT PROFIT								
Total assurances . . . .								
Deduct reassurances (to be specified according to class in a separate statement).								
Net amount of assurances . . . .								
Adjustments, if any (to be separately specified).								
ANNUITIES ON LIVES.								
Immediate . . . .								
Other classes (to be specified) . .								
TOTAL OF THE RESULTS								

NOTE 1.—The term "extra premium" in this Act shall be taken to mean the charge for any risk not provided for in the minimum contract premium. If policies are issued in or for any country at rates of premium deducted from tables other than the European mortality tables adopted by the company, separate schedules similar in form to the above must be furnished.

NOTE 2.—Separate returns and valuation results must be furnished in respect of classes of policies valued by different tables of mortality, or at different rates of interest, also for business at other than European rates.

NOTE 3.—In cases also where separate valuations of any portion of the business are required under local laws in places outside British India, a summary statement must be furnished in respect of the business so valued in each such place showing the total number of policies, the total sums assured and bonuses, the total office yearly premiums and the total net liability on the bases as to mortality and interest adopted in each such place, with a statement as to such bases respectively.

(Form referred to under Heading No. 7 in Fourth Schedule.)

Valuation Balance-sheet of \_\_\_\_\_ as at \_\_\_\_\_ 19 .

Dr.	Rs.	Cr.	Rs.
To net liability under life assurance and annuity transactions (as per summary statement provided in Fourth Schedule).		By life assurance and annuity funds (as per balance-sheet under Third Schedule).	
To surplus, if any . . . .		By deficiency, if any . . . .	

## THE FIFTH SCHEDULE.

(See section 10.)

STATEMENT OF THE LIFE ASSURANCE AND ANNUITY BUSINESS OF THE  
ON THE 19 , TO BE SIGNED BY THE ACTUARY.

(The answers should be numbered to accord with the numbers of the corresponding questions. Statements of reassurances corresponding to the statements in respect of assurances are to be given throughout.) Separate statements are to be furnished in the replies to all the headings under this Schedule for business at other than European rates.

1. The published table or tables of premiums for assurances for the whole term of life and for endowment assurances which are in use at the date above-mentioned.

2. The total amount assured on lives for the whole term of life which are in existence at the date above-mentioned, distinguishing the portions assured with immediate profits, with deferred profits and without profits, stating separately the total reversionary bonuses and specifying the sums assured for each year of life from the youngest to the oldest ages, the basis of division as to immediate and deferred profits being stated.

3. The amount of premiums receivable annually for each year of life after deducting the abatements made by the application of bonuses in respect of the respective assurances mentioned under Heading No. 2, distinguishing ordinary from extra premiums. A separate statement is to be given of premiums payable for a limited number of years, classified according to the number of years' payments remaining to be made.

4. The total amount assured under endowment assurances, specifying sums assured and office premiums separately in respect of each year in which such assurances will mature for payment. The reversionary bonuses must also be separately specified, and the sums assured with immediate profits, with deferred profits and without profits separately returned.

5. The total amount assured under classes of assurance business, other than assurances dealt with under questions 2 and 4, distinguishing the sums assured under each class and stating separately the amount assured with immediate profits, with deferred profits, and without profits, and the total amount of reversionary bonuses.

6. The amount of premiums receivable annually in respect of each such special class of assurances mentioned under Heading No. 5, distinguishing ordinary from extra premiums.

7. The total amount of premiums which has been received from the commencement upon pure endowment policies which are in force at the date above-mentioned.

8. The total amount of immediate annuities on lives, distinguishing the amounts for each year of life, and distinguishing male and female lives.

9. The amount of all annuities on lives other than those specified under Heading No. 8, distinguishing the amount of annuities payable under each class, and the amount of premiums annually receivable.

10. The average rate of interest yielded by the assets, whether invested or uninvested, constituting the life assurance fund of the company, calculated upon the mean fund of each year during the period since the last investigation, without deduction of income-tax.

It must be stated whether or not the mean fund upon which the average rate of interest is calculated includes reversionary investments.

11. A table of minimum values, if any, allowed for the surrender of policies for the whole term of life and for endowments and endowment assurances, or a statement of the method pursued in calculating such surrender values, with instances of the application of such method to policies of different standing and taken out at various interval ages from the youngest to the oldest.

#### THE SIXTH SCHEDULE.

*(See sections 24 and 25.)*

#### RULES FOR VALUING ANNUITIES, LIFE POLICIES AND LIABILITIES.

##### *Rule for valuing an annuity.*

An annuity shall be valued according to the tables used by the company which granted such annuity at the time of granting the same, and, where such tables cannot be ascertained or adopted to the satisfaction of the Court, then

according to such rate of interest and table of mortality as the Court may direct.

*Rule for valuing a policy.*

The value of the policy is to be the difference between the present value of the reversion in the sum assured according to the contingency upon which it is payable, including any bonus or addition thereto made before the commencement of the winding-up, and the present value of the future annual premiums.

In calculating such present values interest is to be assumed at such rate, and the rate of mortality according to such tables, as the Court may direct.

The premium to be calculated is to be such premium as according to said rate of interest and rate of mortality is sufficient to provide for the risk incurred by the office in issuing the policy, exclusive of any addition thereto for office expenses and other charges.

*Rule for valuing a liability.*

The liquidator, in the case of all persons appearing by the books of the company to be entitled to or interested in policies granted by such company, is to ascertain the value of the liability of the company to each such person, and give notice of such value to such persons in such manner as the Court may direct, and any person to whom notice is so given shall be bound by the value so ascertained unless he gives notice of his intention to dispute such value in manner and within a time to be prescribed by a rule or order of the Court.

ACT No. VIII OF 1912<sup>1</sup>.

[18th September, 1912.]

An Act to make better provision for the projection and preservation of certain wild birds and animals.

WHEREAS it is expedient to make better provision for the protection and preservation of certain wild birds and animals; It is hereby enacted as follows :—

1. (1) This Act may be called the Wild Birds and Animals Protection Act, 1912; and

(2) It extends to the whole of British India, including British Baluchistan, the Sonthal Parganas and the Pargana of Spiti.

2. (1) This Act applies, in the first instance, to the birds and animals specified in the Schedule, when in their wild state.

<sup>1</sup> For Statement of Objects and Reasons, see Gazette of India, 1912, Pt. V, p. 2; for Report of Select Committee, see *ibid*, 1912, Pt. V, p. 173; and for Proceedings in Council, see *ibid*, 1912, Pt. VI, pp. 57 and 691.

(2) The Local Government may, by notification in the local official Gazette, apply the provisions of this Act to any kind of wild bird or animal, other than those specified in the Schedule, which, in its opinion, it is desirable to protect or preserve.

Close time.

3. The Local Government may, by notification in the local official Gazette, declare the whole year or any part thereof to be a close time throughout the whole or any part of its territories for any kind of wild bird or animal to which this Act applies, or for female or immature wild birds or animals of such kind ; and, subject to the provisions hereinafter contained, during such close time, and within the areas specified in such notification, it shall be unlawful—

- (a) to capture any such bird or animal, or to kill any such bird or animal which has not been captured before the commencement of such close time ;
- (b) to sell or buy, or offer to sell, or buy, or to possess, any such bird or animal which has not been captured or killed before the commencement of such close time or the flesh thereof ;
- (c) if any plumage has been taken from any such bird captured or killed during such close time to sell or buy, or to offer to sell or buy, or to possess, such plumage.

Penalties.

4. (1) Whoever does or attempts to do, any act in contravention of section 3, shall be punishable with fine which may extend to fifty rupees.

(2) Whoever, having already been convicted of an offence under this section is again convicted thereunder shall, on every subsequent conviction, be punishable with imprisonment for a term which may extend to one month, or with fine which may extend to one hundred rupees, or with both.

Confiscation.

5. (1) When any person is convicted of an offence punishable under this Act, the convicting Magistrate may direct that any bird or animal in respect of which such offence has been committed, or the flesh or any other part of such bird or animal, shall be confiscated.

(2) Such confiscation may be in addition to the other punishment provided by section 4 for such offence.

Cognizance of offences.

6. No Court inferior to that of a Presidency Magistrate or a Magistrate of the second class shall try any offence against this Act.

Power to grant exemption.

7. Where the Local Government is of opinion that, in the interests of scientific research, such a course is desirable, it may grant to any person a license, subject to such restrictions and conditions as it may impose, entitling the holder thereof to do any act which is by section 3 declared to be unlawful.

Savings.

8. Nothing in this Act shall be deemed to apply to the capture or killing of a wild animal by any person in defence of himself or any other person, or to the capture or killing of any wild bird or animal in *bond fide* defence of property.

Repeal.

9. The Wild Birds Protection Act, 1887, is hereby repealed.

XX of 1887.

<sup>1</sup> For such a notification for Coorg, see Coorg District Gazette, 1913, Pt. I, p. 185.

For such a notification for United Provinces, see United Provinces Gazette, 1914, Pt. I, p. 169.

**1912: Act VIII.] Wild Birds and Animals Protection.**

291

**1912: Act IX.] Presidency Small Cause Courts.**

**1912: Act X.] Divorce.**

#### THE SCHEDULE.

- (i) Bustards, ducks, floricans, jungle fowl, partridges, peafowl, pheasants, pigeons, quail, sand-grouse, painted snipe, spur-fowl, wood-cock, herons, egrets, rollers, and king-fishers.
- (ii) Antelopes, asses, bison, buffaloes, deer, gazelles, goats, hares, oxen, rhinoceroses and sheep.

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#### ACT No. IX OF 1912<sup>1</sup>.

[18th September, 1912.]

An Act further to amend the Presidency Small Cause Courts Act, 1882.

**XV of 1882.** WHEREAS it is expedient further to amend the<sup>2</sup> Presidency Small Cause Courts Act, 1882; It is hereby enacted as follows :—

1. This Act may be called the Presidency Small Cause Courts (Amendment) Act, 1912. Short title.

**XV of 1882.** 2. In section 41 of the<sup>2</sup> Presidency Small Cause Courts Act, 1882, for the word “ one ” the word “ two ” shall be substituted. Amendment of section 41, Act XV, 1882.

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#### ACT No. X OF 1912.<sup>3</sup>

[18th September, 1912.]

An Act further to amend the Indian Divorce Act.

**IV of 1869.** WHEREAS it is expedient further to amend the<sup>4</sup> Indian Divorce Act; It is hereby enacted as follows :—

1. This Act may be called the Indian Divorce (Amendment) Act, 1912. Short title.

**IV of 1869.** 2. To section 7 of the<sup>4</sup> Indian Divorce Act the following proviso shall be added, namely :— Addition to section 7, Act IV, 1869.

“ Provided that nothing in this section shall deprive the said Courts of jurisdiction in a case where the parties to a marriage professed the Christian religion at the time of the occurrence of the facts on which the claim to relief is founded.”

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<sup>1</sup> For Statement of Objects and Reasons, see Gazette of India, 1912, Pt. V, p. 169; and for the Proceedings in Council, see *ibid*, 1912, Pt. VI, pp. 649 and 691.

<sup>2</sup> Genl. Acts, Vol. III.

<sup>3</sup> For Statement of Objects and Reasons, see Gazette of India, 1912, Pt. V, p. 170; and for Proceedings in Council, see *ibid*, 1912, Pt. VI, pp. 647 and 695.

<sup>4</sup> Genl. Acts, Vol. II.

ACT No. XII OF 1912.<sup>1</sup>

18th September, 1912.]

**An Act to facilitate the International circulation of Motor Vehicles.**

WHEREAS it is expedient to authorise the Governor General in Council to make rules to give effect to any Convention for facilitating the International circulation of motor vehicles; It is hereby enacted as follows:—

Short title  
and extent.

**1.** (1) This Act may be called the Motor Vehicles International Circulation Act, 1912.

(2) It extends to the whole of British India, including British Baluchistan, the Sonthal Parganas and the Pargana of Spiti.

Definition  
of "motor  
vehicle."

**2.** In this Act the expression "motor vehicle" includes any vehicle, carriage or other means of conveyance propelled, or which may be propelled, on a road by electrical or mechanical power either entirely or partially.

Power to  
make rules.

**3.** The Governor General in Council may make rules<sup>2</sup> for all or any of the following purposes, namely:—

(i) for the grant and authentication of any travelling passes, certificates or authorities for the use of persons temporarily taking their motor vehicles out of British India, or to drivers of such vehicles when proceeding out of British India for the purpose of driving such vehicles, and

(ii) prescribing the conditions subject to which motor vehicles brought temporarily into British India by persons intending to make a temporary stay there may be possessed, used and driven.

Publication  
of rules and  
effect of  
publication.

**4.** All rules made under section 3 shall be published in the Gazette of India, and, on such publication, shall have effect as if enacted in this Act.

Exclusion of  
other laws.

**5.** Nothing in any enactment made by any authorities in British India or in any rule made thereunder relating to—

(a) the registration of motor vehicles,

(b) requirements as to construction or equipment of such vehicles, or

(c) the licensing or qualifications of drivers of such vehicles,

shall apply in the case of any motor vehicle such as is referred to in clause (ii) of section 3 or of any person possessing, using or driving the same, provided that the requirements of any rule made under the said clause and applicable to such vehicle or person are complied with.

<sup>1</sup> For Statement of Objects and Reasons, see Gazette of India, 1912, Pt. V, p. 172; and for Proceedings in Council, see *ibid.*, 1912, Pt. VI, pp. 648 and 695.

This Act is repealed by the Indian Motor Vehicles Act, 1914 (8 of 1914), which will come into force when notified.

<sup>2</sup> For such rules see, Gazette of India, 1913, Pt. I, p. 638.

ACT No. XIII OF 1912.<sup>1</sup>

[18th September, 1912.]

An Act to provide for the application of the law in force in the Province of Delhi and for the extension of other enactments thereto.

WHEREAS by<sup>2</sup> Proclamation published in Notification No. 911, dated the seventeenth day of September, 1912, the Governor General in Council, with the sanction and approbation of the Secretary of State for India, has been pleased to take under his immediate authority and management the territory mentioned in Schedule A, which was formerly included within the Province of the Punjab, and to provide for the administration thereof by a Chief Commissioner as a separate Province to be known as the Province of Delhi;

And whereas it is expedient to provide for the application of the law in force in the said territory, and for the extension of other enactments thereto; It is hereby enacted as follows:—

1. (1) This Act may be called the Delhi Laws Act, 1912; and

Short title  
and com-  
mencement.

(2) It shall come into force on the first day of October, 1912.

2. The Proclamation referred to in the preamble shall not be deemed to have effected any change in the territorial application of any enactment notwithstanding that such enactment may be expressed to apply or extend to the territories for the time being under any particular administration.

Saving of  
territorial  
application  
of enact-  
ments.

3. All enactments made by any authority in British India and all notifications, orders, schemes, rules, forms and by-laws issued, made or prescribed under such enactments which immediately before the commencement of this Act were in force in, or prescribed for, any of the territory mentioned in Schedule A, shall in their application to that territory be construed as if references therein to the authorities, or gazette mentioned in column I of Schedule B were references to the authorities, or gazette respectively mentioned or referred to opposite thereto in column 2 of that Schedule:

Construc-  
tion of  
certain en-  
actments  
in force in  
the terri-  
tories men-  
tioned in  
Schedule A.

Provided that the Governor General in Council may, by notification<sup>3</sup> in the Gazette of India, direct that any power or duty conferred or imposed on the Local Government under any such enactment shall be exercised or

<sup>1</sup> The Bill which became Act XIII of 1912 was introduced and passed at the same meeting of the Council; No Statement of Objects and Reasons was therefore published.

For Proceedings in Council relating to the Bill, see Gazette of India, 1912, Pt. VI, p. 695.

<sup>2</sup> See Gazette of India, 1912, Extraordinary, p. 17.

<sup>3</sup> For notification declaring by whom certain powers and duties under certain Acts shall be exercised, see Gazette of India, 1912, Pt. I, pp. 1101, 1112, 1113, and *ibid.*, 1913, Pt. I, p. 156, and as to continuance of powers under the Northern India Canal and Drainage Act, 1873 (8 of 1873), and the Punjab Minor Canals Act (Punjab Act 3 of 1905), see *ibid.*, p. 1109.



performed by the Governor General in Council or by such other authority as he may specify in this behalf, and not by the Chief Commissioner of Delhi.

Powers of Courts and Local Government for purposes of facilitating application of enactments.

4. For the purpose of facilitating the application to the territory mentioned in Schedule A or any part thereof of any enactment passed before the commencement of this Act or of any notification, order, scheme, rule, form or by-law issued, made or prescribed under any such enactment—

- (1) any Court may, subject to the other provisions of this Act, construe the enactment, notification, order, scheme, rule, form or by-law with such alterations not affecting the substance as may be necessary or proper to adapt it to the matter before the Court, and
- (2) the Local Government may, subject to the other provisions of this Act by notification<sup>1</sup> in the Gazette of India, direct by what Officer any power or duty shall be exercised or discharged, and any such notification shall have effect as if enacted in this Act.

Vesting of powers of separate Officers in single Officer.

5. (1) A notification<sup>2</sup> issued under section 4, sub-section (2), may direct that any powers or duties vested in separate Officers may be consolidated and vested in, and discharged by, a single Officer.

(2) Where by such a notification appellate powers are consolidated and vested in a single Officer, the period of limitation for the consolidated appeal shall be the longest period provided in the case of an appeal to any of the Officers whose powers are so consolidated.

Pending proceedings.

6. Nothing in this Act shall affect any proceeding which at the commencement thereof is pending in respect of any of the territory mentioned in Schedule A, and every such proceeding shall be continued as if this Act had not been passed :

Provided that all proceedings which at the commencement of this Act are pending before the Commissioner of the Division or any other authority within the territory mentioned in Schedule A shall be transferred to, and disposed of by, such authorities in the Province of Delhi as the Local Government may, by notification<sup>3</sup> in the Gazette of India, direct.

Power to extend enactments in force in other parts of British India with modifications and restrictions.

7. The Governor General in Council may, by notification in the Gazette of India, extend with such restrictions and modifications as he thinks fit to the territory mentioned in Schedule A, or any part thereof, any enactment which is in force in any part of British India at the date of such notification.

<sup>1</sup> For such notification as to appellate powers of the Commissioner and Financial Commissioner under the Punjab Tenancy Act, 1887, and Punjab Land Revenue Act, 1887, see Gazette of India, 1912, Pt. I, p. 1104, and as Registrar of Co-operative Societies, see *ibid*, p. 1105.

<sup>2</sup> For notification issued under this section, see Gazette of India, 1912, Pt. I, p. 1104.

<sup>3</sup> For such a notification, see Gazette of India, 1912, Pt. I, p. 1104.

<sup>4</sup> For such a notification, see Gazette of India, 1913, Pt. I, p. 411.

## SCHEDULE A.

(See section 3.)

## THE PROVINCE OF DELHI.

That portion of the District of Delhi comprising the Tashil of Delhi and the police station of Mahrauli.

## SCHEDULE B.

(See section 3.)

1	2
Reference.	Construction.
1. The Local Government . . . . .	} The Chief Commissioner of Delhi.
2. The Lieutenant-Governor of the Punjab . . . . .	
3. The Chief Controlling Revenue Authority . . . . .	
4. The Chief Revenue Authority . . . . .	} The Chief Commissioner of Delhi.
5. The Chief Customs Authority . . . . .	
6. The Financial Commissioner. . . . .	
7. The Commissioner of Revenue . . . . .	
8. The Commissioner of the Division . . . . .	
9. The Commissioner . . . . .	
10. The Chief Secretary to Government . . . . .	
• 11. A Secretary to Government or to the Local Government.	

SCHEDULE B—*contd.*

(See section 3.)—*contd.*

1	2
Reference.	Construction.
12. All officers and official bodies not mentioned in the foregoing clauses except the Treasurer of Charitable Endowments whose authority extended immediately before the commencement of this Act over the territory mentioned in Schedule A.	Such officials or official bodies respectively as the Local Government may, by notification <sup>1</sup> in the Gazette of India direct.
13. The local Official Gazette of the Punjab	The Gazette of India.

ACT No. I OF 1913.<sup>2</sup>

[27th February, 1913.]

An Act to amend the Indian Extradition Act, 1903.

WHEREAS it is expedient to amend the <sup>3</sup>Indian Extradition Act, 1903 ; XV of 1903. It is hereby enacted as follows :—

Short title.      1. This Act may be called the Indian Extradition (Amendment) Act, 1913.

Amendment of section 7, Act XV, 1903.      2. (1) In sub-section (1) of section 7 of the <sup>3</sup>Indian Extradition Act, XV of 1903, after the words “ such person is believed to be,” the words “ or if such person is believed to be in any Presidency-town to the Chief Presidency Magistrate of such town ” shall be inserted.

(2) In sub-section (2) of the same section after the words “ accused person when arrested shall ” the words “ be produced before the District Magistrate or Chief Presidency Magistrate, as the case may be, who shall record any statement made by him ; such accused person shall then ” shall be inserted.

(3) In sub-section (3) of the same section after the words “ District Magistrate,” the words “ or Chief Presidency Magistrate ” shall be inserted.

<sup>1</sup> For such notification, see Gazette of India, 1912, Pt. I, p. 1109.

<sup>2</sup> For Statement of Objects and Reasons, see Gazette of India, 1912, Pt. V, p. 170 ; for Report of Select Committee, see *ibid*, 1913, Pt. V, p. 1 ; and for Proceedings in Council, see *ibid*, 1912, Pt. VI, pp. 647 & 692 and *ibid*, 1913, Pt. VI, pp. 13, 28 and 49.

<sup>3</sup> Genl. Acts, Vol. V.

3. After section 8 of the said Act the following section shall be inserted  
namely :—

“ 8A. Notwithstanding anything contained in section 7, sub-section (2) or in section 8, when an accused person arrested in accordance with the provisions of section 7 is produced before the District Magistrate or Chief Presidency Magistrate, as the case may be, and the statement (if any) of such accused person has been recorded, such Magistrate may, if he thinks fit, before proceeding further report the case to the Local Government and, pending the receipt of orders on such report, may detain such accused person in custody or release him on his executing a bond with sufficient sureties for his attendance when required.”

Addition of  
new section  
after section  
8, Act XV,  
1903.

## THE OFFICIAL TRUSTEES ACT, 1913.

### CONTENTS.

#### PART I.

#### PRELIMINARY.

#### SECTIONS.

1. Short title, extent and commencement.
2. Interpretation clause.
3. Extent of jurisdiction of High Courts.

#### PART II.

#### THE OFFICE OF OFFICIAL TRUSTEE.

4. Official Trustees.
5. Appointment and powers of Deputy Official Trustee.
6. Official Trustee to be corporation sole, to have perpetual succession and official seal, and to sue and be sued in his corporate name.

#### PART III.

#### RIGHTS, POWERS, DUTIES AND LIABILITIES OF OFFICIAL TRUSTEE.

7. General Powers and duties of Official Trustee.
8. Official Trustee may, with consent, be appointed Trustee of settlement by grantor.

**SECTIONS.**

9. Appointment of Official Trustee as trustee by will.
10. Power of High Court to appoint Official Trustee to be trustee of property.
11. Power of private trustees to appoint Official Trustee to be trustee of property.
12. Executor or administrator may pay to Official Trustee legacy, share, etc., of infant or lunatic.
13. Official Trustee not to be required to give bond or security.
14. Entry of Official Trustee not to constitute notice of a trust.
15. Liability of Government.
16. Notice of suit not required in certain cases.

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**PART IV.****FEES.**

17. Fees.
18. Disposal of fees.

---

**PART V.****AUDIT.**

19. Auditors to be appointed to examine Official Trustee's accounts, etc., and to report to Government.
20. Auditor's power to summon witnesses and to call for documents.
21. Costs of audit, etc., how paid.
22. Right of beneficiary to inspection and copies of accounts.

---

**PART VI.****MISCELLANEOUS.**

23. Transfer to Government of accumulations in the hands of Official Trustee.
24. Mode of proceeding by claimant to recover money so transferred.
25. Power of High Court to make orders in respect of property vested in Official Trustee.
26. Who may apply for order under Act.
27. Order of Court to have effect of a decree.
28. General powers of administration.
29. Transfer of trust property by Official Trustee to original trustee or any other trustee.

## SECTIONS.

30. Rules.

31. Division of Presidency into Provinces.

32. Saving of provisions of Indian Registration Act, 1908.

33. Repeals.

## THE SCHEDULE—ENACTMENTS REPEALED.

ACT No. II OF 1913.<sup>1</sup>

[ 27th February, 1913.]

An Act to consolidate and amend the Law constituting the office of  
Official Trustee.

WHEREAS it is expedient to consolidate and amend the law constituting  
the office of the Official Trustee ; It is hereby enacted as follows :—

## PART I.

## PRELIMINARY.

1. (1) This Act may be called the Official Trustees Act, 1913.

Short title,  
extent and  
commence  
ment.

(2) It extends to the whole of British India, including British Baluchis-  
tan and the Sonthal Parganas, and applies also to all British and Indian sub-  
jects of His Majesty in the territories of Native States in India.

(3) It shall come into force on such <sup>2</sup>date as the Governor General in  
Council, by notification in the Gazette of India, may direct.

2. In this Act unless there is anything repugnant in the subject or con-  
text,—

Interpreta-  
tion clause

(1) " Government " means the Governor General in Council, so far as the  
Act relates to the Presidency of Bengal, and the Local Governments of Madras  
and Bombay, respectively, so far as the Act relates to those Presidencies :

(2) " High Court " means His Majesty's High Courts of Judicature at  
Fort William in Bengal, Madras and Bombay, respectively, in the exercise of  
their original civil jurisdiction :

(3) " Official Gazette " means, in the case of the Presidency of Bengal,  
the Gazette of India, in the case of the Presidency of Madras, the Fort  
St. George Gazette, and in the case of the Presidency of Bombay, the Bombay  
Government Gazette :

<sup>1</sup> For Statement of Objects and Reasons, see Gazette of India, 1912, Pt. V, p. 202; for  
Report of Select Committee, see *ibid*, 1913, Pt. V, p. 19; and for Proceedings in Council, see  
*ibid*, 1912, Pt. VI, p. 699 and *ibid*, 1913, Pt. VI, pp. 15 and 23.

<sup>2</sup> The 1st April, 1914, see Gazette of India, 1914, Pt. I, p. 365.

(4) "Prescribed" means prescribed by rules under this Act :

(5) (a) "Presidency of Bengal" includes the territories for the time being under the government of the Governor of Fort William in Bengal in Council, the United Provinces of Agra and Oudh, the Provinces of the Punjab, Burma, Bihar and Orissa, the Central Provinces, Assam, the North-West Frontier Province, the Province of Delhi, Ajmer and Merwara, the Andaman and Nicobar Islands, and such of the territories of any Native State as the Governor General in Council may by notification in the Gazette of India direct,

(b) "Presidency of Bombay" includes the territories for the time being under the government of the Governor of Bombay in Council, the Province of British Baluchistan, and such of the territories of any Native State as the Governor General in Council may by notification in the Gazette of India direct,

(c) "Presidency of Madras" includes the territories for the time being under the government of the Governor of Fort St. George in Council, the Province of Coorg, and such of the territories of any Native State as the Governor General in Council may by notification in the Gazette of India direct.

(6) "Presidency" means any of the Presidencies mentioned in clause (5).

Extent of  
jurisdiction  
of High  
Courts.

3. For the purposes of this Act the High Court at a Presidency-town shall have jurisdiction throughout the Presidency.

## PART II.

### THE OFFICE OF OFFICIAL TRUSTEE.

Official  
Trustees.

4. (1) In each of the Presidencies of Bengal, Madras and Bombay, the Government shall appoint an Official Trustee.

(2) No person shall be appointed to the office of Official Trustee of any of the said Presidencies who is not—

(a) a Barrister ; or

(b) an Advocate, Attorney or Vakil enrolled by a High Court ; or

(c) a person holding the office of Deputy Administrator General at the commencement of this Act.

(3) The said Official Trustees shall be called respectively, the Official Trustee of Bengal, the Official Trustee of Madras and the Official Trustee of Bombay.

<sup>1</sup> For notification under this section in conjunction with section 31, including certain Native States in the Presidencies and Provinces constituted for the purposes of the Act, see Gazette of India, 1914, Pt. I, p. 782.

5. The Government may appoint a Deputy or Deputies to assist the Official Trustee; and any Deputy so appointed shall, subject to the control of the Government and the general or special orders of the Official Trustee, be competent to discharge any of the duties and exercise any of the powers of the Official Trustee; and, when discharging such duties or exercising such powers, shall have the same privileges and be subject to the same liabilities as the Official Trustee.

6. The Official Trustee shall be a corporation sole by the name of the Official Trustee of the Presidency for which he is appointed and, as such Official Trustee, shall have perpetual succession and an official seal, and may sue and be sued in his corporate name.

### PART III.

#### RIGHTS, POWERS, DUTIES AND LIABILITIES OF OFFICIAL TRUSTEE.

7. (1) Subject to, and in accordance with, the provisions of this Act and the rules made thereunder, the Official Trustee may, if he thinks fit,—

(a) act as an ordinary trustee;

(b) be appointed trustee by a Court of competent jurisdiction.

(2) Save as hereinafter expressly provided, the Official Trustee shall have the same powers, duties and liabilities and be entitled to the same rights and privileges and be subject to the same control and orders of the Court as any other trustee acting in the same capacity.

(3) The Official Trustee may decline, either absolutely or except on such conditions as he may impose, to accept any trust.

(4) The Official Trustee shall not accept any trust under any composition or scheme of arrangement for the benefit of creditors, nor of any estate known or believed by him to be insolvent.

(5) The Official Trustee shall not, save as provided by any rules made under this Act, accept any trust for a religious purpose or any trust which involves the management or carrying on of any business.

(6) The Official Trustee shall not administer the estate of a deceased person, unless he is expressly appointed sole executor of, and sole trustee under, the will of such person.

(7) The Official Trustee shall always be sole trustee, and it shall not be lawful to appoint the Official Trustee to be trustee along with any other person.

8. (1) Any person intending to create a trust other than a trust which the Official Trustee is prohibited from accepting under the provisions of this Act may by the instrument creating the trust and with the consent of the Official Trustee, appoint him by that name or any other sufficient description to be the trustee of the property subject to such trust:



Provided that the consent of the Official Trustee shall be recited in the said instrument and that such instrument shall be duly executed by the Official Trustee.

(2) Upon such appointment the property subject to the trust shall vest in such Official Trustee, and shall be held by him upon the trusts declared in such instrument.

Appoint-  
ment of Offi-  
cial Trustee  
as trustee by  
will.

9. When the Official Trustee has by that name or any other sufficient description been appointed trustee under any will, the executor of the will of such testator or the administrator of his estate shall, after obtaining probate or letters of administration, notify in the prescribed manner the contents of such will to such Official Trustee; and, if such Official Trustee consents to accept the trust, then upon the execution by such executor or administrator of an instrument in writing transferring the property subject to the trust to the Official Trustee, such property shall vest in such Official Trustee, and shall be held by him upon the trusts expressed in the said will:

Provided that the consent of the Official Trustee shall be recited in the said instrument and that such instrument shall be duly executed by the Official Trustee.

Power of  
High Court  
to appoint  
Official  
Trustee to be  
trustee of  
property.

10. (1) If any property is subject to a trust other than a trust which the Official Trustee is prohibited from accepting under the provisions of this Act, and there is no trustee within the local limits of the ordinary or extraordinary original civil jurisdiction of the High Court willing or capable to act in the trust, the High Court may on application make an order for the appointment of the Official Trustee by that name with his consent to be the trustee of such property.

(2) Upon such order such property shall vest in the Official Trustee and shall be held by him upon the same trusts as the same was held previously to such order, and the previous trustee or trustees (if any) shall be exempt from liability as trustees of such property save in respect of acts done before the date of such order.

(3) Nothing in this section shall be deemed to affect the provisions of the <sup>XXVIII of</sup> Trustees' and Mortgagees' Powers Act, 1866, or the <sup>1866.</sup> Indian Trusts Act, 1882. <sup>II of 1882.</sup>

Power of  
private  
trustees to  
appoint Offi-  
cial Trustee  
to be trustee  
of property.

11. (1) If any property is subject to a trust other than a trust which the Official Trustee is prohibited from accepting under the provisions of this Act, and all the trustees or the surviving or continuing trustee or trustees and all persons beneficially interested in the trust are desirous that the Official Trustee shall be appointed in the room of such trustee or trustees, it shall be lawful for such trustee or trustees, by an instrument in writing to appoint the Official Trustee by that name or any other sufficient description with his consent to be the trustee of such property:

Provided that the consent of the Official Trustee shall be recited in the said instrument and that such instrument shall be duly executed by him.

<sup>1</sup> Genl. Acts, Vol. I.

<sup>2</sup> Genl. Acts, Vol. III.

(2) Upon such appointment such property shall vest in the Official Trustee and shall be held by him upon the same trusts as the same was held previously to such appointment, and the previous trustee or trustees shall be exempt from all liability as trustees of such property save in respect of acts done before the date of such appointment.

**12.** (1) If any infant or lunatic is entitled to any gift, legacy or share of the assets of a deceased person, it shall be lawful for the person by whom such gift is made, or executor or administrator by whom such legacy or share is payable or transferable, or any trustee of such gift, legacy or share, to transfer the same by an instrument in writing to the Official Trustee by that name or any other sufficient description with his consent :

Executor or administrator may pay to Official Trustee legacy, share, etc., of infant or lunatic.

Provided that the consent of the Official Trustee shall be recited in the said instrument and that such instrument shall be duly executed by the Official Trustee.

(2) Any money or property transferred to the Official Trustee under this section shall vest in him and shall be subject to the same provisions as are contained in this Act as to other property vested in such Official Trustee.

**13.** (1) No Official Trustee shall be required by any Court to enter into any bond or security on his appointment in any capacity under this Act.

Official Trustee not to be required to give bond or security.

(2) No Official Trustee or Deputy Official Trustee shall be required to verify otherwise than by his signature any petition presented by him under the provisions of this Act, and if the facts stated in any such petition are not within the Official Trustee's personal knowledge, the petition may be verified and subscribed by any person competent to make the verification.

**14.** The entry of the Official Trustee by that name in the books of a company shall not constitute notice of a trust ; and a company shall not be entitled to object to enter the name of the Official Trustee on its register by reason only that the Official Trustee is a corporation ; and, in dealing with property, the fact that the person dealt with is the Official Trustee shall not of itself constitute notice of a trust.

Entry of Official Trustee not to constitute notice of a trust.

**15.** (1) The revenues of the Government of India shall be liable to make good all sums required to discharge any liability which the Official Trustee, if he were a private trustee, would be personally liable to discharge, except when the liability is one to which neither the Official Trustee nor any of his officers has in any way contributed or which neither he nor any of his officers could by the exercise of reasonable diligence have averted, and in either of those cases the Official Trustee shall not, nor shall the revenues of the Government of India, be subject to any liability.

Liability of Government.

(2) Nothing in sub-section (1) shall be deemed to render the revenues of the Government of India or any Official Trustee appointed under this Act liable for anything done by or under the authority of any Official Trustee before the commencement of this Act.

Notice of  
suit not re-  
quired in cer-  
tain cases.

**16.** Nothing in section 80 of the Code<sup>1</sup> of Civil Procedure, 1908, shall apply to any suit against the Official Trustee in which no relief is claimed against him personally.

#### PART IV.

##### FEEs.

Fees.

**17.** (1) There shall be charged in respect of the duties of the Official Trustee such fees, whether by way of percentage or otherwise, as the Government may prescribe :

Provided that in the case of a trust accepted by the Official Trustee before the commencement of this Act the fees prescribed under this section shall not exceed the fees leviable in respect of such trust under the Official Trustees Act, <sup>XVII of</sup> 1864, as subsequently amended.

(2) The fees under this section may be at different rates for different properties or classes of properties or for different duties, and shall, so far as may be, be arranged so as to produce an amount sufficient to discharge the salaries and all other expenses incidental to the working of this Act (including such sum as Government may determine to be required to insure the revenues of the Government of India against loss under this Act).

Disposal of  
fees.

**18.** (1) All expenses which might be retained or paid out of the trust fund, if the Official Trustee were a private trustee, shall be so retained or paid, and any fees leviable under this Act shall be retained or paid in like manner as and in addition to such expenses.

(2) The Official Trustee shall transfer and pay to such authority and in such manner and at such times as the Government may prescribe, all fees received by him under this Act, and the same shall be carried to the account and credit of the Government of India.

#### PART V.

##### AUDIT.

Auditors to  
be appointed  
to examine  
Official  
Trustee's  
accounts,  
etc., and to  
report to  
Government.

**19.** (1) The accounts of the Official Trustee shall be audited at least once annually and at any other time if the Government so direct by the prescribed person and in the prescribed manner.

(2) The auditor shall examine such accounts, and shall forward to Government a statement thereof in the prescribed form, together with a report thereon and a certificate signed by him showing—

(a) whether the accounts contain a full and true account of everything which ought to be contained therein, and

<sup>1</sup> Genl. Acts, Vol. VI.

- (b) whether the books, which by any rules made under this Act are directed to be kept by the Official Trustee, have been duly and regularly kept, and
- (c) whether the trust funds and securities have been duly kept and invested and deposited in the manner prescribed by this Act or any rules made thereunder ;

or (as the case may be) that such accounts are deficient, or that the Official Trustee has failed to comply with this Act or the rules made thereunder, in such respects as may be specified in such certificate.

V of 1908. **20.** (1) Every auditor shall have the powers of a Civil Court under the Code of Civil Procedure, 1908, Auditor's power to summon witnesses and to call for documents.

- (a) to summon any person whose presence he may think necessary to attend him from time to time, and
- (b) to examine any person, on oath to be by him administered, and
- (c) to issue a commission for the examination on interrogatories or otherwise of any person, and
- (d) to summon any person to produce any document or thing, the production of which appears to be necessary for the purposes of such audit or examination.

XLV of 1900. (2) Any person who, when summoned, refuses, or without reasonable cause neglects to attend or to produce any document or thing or attends and refuses to be sworn, or to be examined shall be deemed to have committed an offence within the meaning of, and punishable under, section 188 of the<sup>2</sup> Indian Penal Code, and the auditor shall report every case of such refusal or neglect to Government.

**21.** The cost of and incidental to every such audit and examination shall be determined in accordance with rules made by the Government and shall be defrayed in the prescribed manner. Costs of audit, etc., how paid.

II of 1882. **22.** Every beneficiary under a trust which is being administered by the Official Trustee shall, subject to such conditions and restrictions as may be prescribed, be entitled, at all reasonable times, to inspect the accounts of such trust, and the report and certificate of the auditor and, on payment of the prescribed fee, to be furnished with copies thereof or extracts therefrom, and nothing in the<sup>3</sup> Indian Trusts Act, 1882, shall affect the provisions of this section. Right of beneficiary to inspection and copies of accounts.

## PART VI.

### MISCELLANEOUS.

**23.** When any moneys payable to a beneficiary under a trust have been in the hands of any Official Trustee for a period of twelve years or upwards when Transfer to Government of accumula-

<sup>1</sup> Genl. Acts, Vol. VI.

<sup>2</sup> Genl. Acts, Vol. I.

<sup>3</sup> Genl. Acts, Vol. III.

tions in the hands of Official Trustee.

ther before or after the commencement of this Act in consequence of the Official Trustee having been unable to trace the person entitled to receive the same, such moneys shall be transferred in the prescribed manner to the account and credit of the Government of India :

Provided that no such moneys shall be so transferred if any suit or proceeding is pending in respect thereof in any Court.

Mode of proceeding by claimant to recover money so transferred.

**24.** (1) If any claim is made to any moneys so transferred and such claim is established to the satisfaction of the prescribed authority, the Government of India shall pay to the claimant the amount in respect of which the claim is established.

(2) If such claim is not established to the satisfaction of the prescribed authority, the claimant may, without prejudice to his right to take any other proceedings for the recovery of such moneys, apply by petition to the High Court against the Secretary of State for India in Council, and, after taking such evidence as it thinks fit, such Court shall make such order on the petition in regard to the payment of such moneys as it thinks fit, and such order shall be binding on all parties to the proceedings.

(3) The Court may further direct by whom all or any part of the costs of such proceedings shall be paid.

Power of High Court to make orders in respect of property vested in Official Trustee. Who may apply for order under Act. Order of Court to have effect of a decree. General powers of administration.

**25.** The High Court may make such orders as it thinks fit respecting any trust property vested in the Official Trustee, or the interest or produce thereof.

**26.** Any order under this Act may be made, on the application of any person beneficially interested in any trust property or of any trustee thereof.

**27.** Any order made by a High Court under this Act shall have the same effect as a decree.

**28.** The Official Trustee may, in addition to and not in derogation of any other powers of expenditure lawfully exerciseable by him, incur expenditure—

- (a) on such acts as may be necessary for the proper care and management of any property belonging to any trust administered by him ; and
- (b) with the sanction of the High Court on such religious, charitable and other objects and on such improvements as may be reasonable and proper in the case of such property.

Transfer of trust property by Official Trustee to original trustee or

**29.** (1) Nothing in this Act shall be deemed to prevent the transfer by the Official Trustee of any property vested in him to—

- (a) the original trustee (if any) ; or
- (b) any other lawfully appointed trustee ; or
- (c) any other person if the Court so directs.

(2) Upon such transfer such property shall vest in such trustee, and shall be held by him upon the same trusts as those upon which it was held prior to such transfer, and the Official Trustee shall be exempt from all liability as trustee of such property except in respect of acts done before such transfer : <sup>any other trustee.</sup>

Provided that, in the case of any transfer under this section, the Official Trustee shall be entitled to retain out of the property any fees leviable in accordance with the provisions of this Act.

**30.** (1) The Government shall make rules for carrying into effect the objects of this Act and for regulating the proceedings of the Official Trustee in the discharge of his duties. <sup>Rules.</sup>

<sup>1</sup>(2) In particular and without prejudice to the generality of the foregoing power, such rules may provide for—

- (a) the accounts to be kept by the Official Trustee and the audit and inspection thereof ;
- (b) the safe custody, and deposit of the funds and securities which come into the hands of the Official Trustee ;
- (c) the remittance of sums of money in the hands of the Official Trustee in cases in which such remittances are required ;
- (d) the statements, schedules and other documents to be submitted by the Official Trustee to Government or to any other authority and the publication of such statements, schedules or other documents ;
- (e) the realization of the cost of preparing any such statements, schedules or other documents ;
- (f) subject to the provisions of this Act, the fees to be paid thereunder and the collection and accounting for any fees so fixed ;
- (g) the manner in which and the person by whom the costs of and incidental to any audit under the provisions of this Act are to be determined and defrayed ;
- (h) the manner in which summonses issued under the provisions of section 20 are to be served and the payment of the expenses of any persons summoned or examined under the provisions of this Act and of any expenditure incidental to such examination ;
- (i) the acceptance by the Official Trustee of trusts for religious purposes and trusts which involve the management or carrying on of business ; and
- (j) any matter in this Act directed to be prescribed.

(3) Rules made under the provisions of this section shall be published in the official Gazette, and shall thereupon have effect as if enacted in this Act.

**31.** (1) Notwithstanding anything in the foregoing provisions of this Act, the Governor General in Council may, by<sup>2</sup> notification in the Gazette of India, — <sup>Division of Presidency into Provinces.</sup>

- (a) remove any of the territories included in the Presidency of Bengal from such Presidency and constitute the same into provinces for the purposes of this Act ;

<sup>1</sup> For clause (ee) see Corrigenda.

<sup>2</sup> For such a notification, see Gazette of India, 1914, Pt. I, p. 367.

- (b) <sup>1</sup>direct that for the purposes of this Act any of the territories of any Native State in India shall be included in any Province so constituted ; and
- (c) appoint any person qualified in accordance with the provisions of subsection (2) of section 4, or who holds office under Government to be an Official Trustee for any such Province, to be called the Official Trustee of the Province,

and subject to the provisions of this section the following consequences shall thereupon ensue, namely :—

- (i) the Official Trustee of a Province shall by that name have the like rights, powers, privileges and liabilities, and perform the like duties in the Province as the Official Trustee of the Presidency within which such territories were included had and performed as Official Trustee therein, and shall be deemed to be his successor in office :
- (ii) the powers and duties of the Government under this Act shall, as regards the Province, be exercised and discharged by the Governor General in Council, or by such Local Government as the Governor General in Council may, by notification in the Gazette of India appoint in this behalf ; and the Gazette of the Government exercising and discharging such powers and duties shall be the official Gazette of the Province for the purposes of this Act :
- (iii) the powers and duties assigned by the foregoing provisions of this Act to the High Court shall be exercised and discharged in respect of such Province by such Court as the Governor General in Council may, by notification in the Gazette of India, appoint in this behalf
- (iv) in the foregoing provisions of this Act, the word " Presidency " shall be deemed to include a province ; and
- (v) generally, the provisions of the foregoing sections with respect to the High Court and the provisions of this Act and of any other enactment for the time being in force with respect to the Official Trustee of a Presidency shall, in relation to a Province, be construed so far as may be to apply to the Court and the Official Trustee respectively appointed for the Province under this section.

(2) Any proceeding which was commenced before the publication of the notification constituting the province and to or in which the Official Trustee of any Presidency within which any territories constituted into a Province are situate was a party or was otherwise concerned shall be continued as if the notification had not been published.

(3) If by reason of the constitution of provinces for the purposes of this Act it appears to the Governor General in Council that any property vested in the Official Trustee of any Presidency should be vested in the Official Trustee of a Province, he may direct that the property shall be so vested, and there

<sup>1</sup> For notification under this section in conjunction with section 2 (5), see *Gazette of India* 1914. Pt. I. n. 782.

upon it shall vest in the Official Trustee of the Province as fully and effectually for the purposes of this Act as if it had originally been vested in him under this Act.

(4) If in accordance with the provisions of this section territories have been removed from the Presidency of Bengal and constituted a Province for the purposes of this Act, the Governor General in Council may, by notification in the Gazette of India, direct that as regards the Presidency of Bengal excluding the territories so removed the powers and duties of the Government under the Act shall be exercised and discharged by the Local Government of Bengal, and that the official Gazette shall be the Calcutta Gazette.

(5) Upon the rescission of a notification constituting a Province under sub-section (1), the territories comprised therein shall again form part of the Presidency within which they were originally included, the office of Official Trustee for the Province shall determine and all properties vested in and all proceedings by or against such Official Trustee pending at the date of the rescission shall vest in and be carried on by or against such Official Trustee or Official Trustees as the Governor General in Council may direct.

**32.** Nothing contained in this Act shall be deemed to affect the provisions of the<sup>1</sup> Indian Registration Act, 1908.

Saving of provisions of Indian Registration Act, 1908. Repeals.

**33.** The enactments specified in the Schedule are hereby repealed to the extent specified in the fourth column thereof :

Provided that any property subject to a trust by or in pursuance of any such enactment vested in any Official Trustee at the commencement of this Act shall be deemed to be vested in the Official Trustee under this Act to be held by him upon the same trusts as those upon which such property was held before such commencement.

### THE SCHEDULE.

#### ENACTMENTS REPEALED.

(See section 33.)

Year.	No.	Short title.	Extent of repeal.
1864 . .	XVII	The Official Trustees Act, 1864. .	So much as has not already been repealed.
1890 . .	II	The Probate and Administration Act, 1890.	So much of the title and preamble as relates to the Official Trustees Act, 1864 and sections 1 to 8.
1902 . .	V	The Administrators General and Official Trustees Act, 1902.	So far as it refers to the office of Official Trustee, or Deputy Official Trustee.

<sup>1</sup> Genl. Acts, Vol. VI.



**THE ADMINISTRATOR GENERAL'S ACT, 1913 (III OF 1913).**

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**CONTENTS.**

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**PART I.****PRELIMINARY.****SECTIONS.**

1. Short title, extent and commencement.
  2. Interpretation clause.
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**PART II.****THE OFFICE OF ADMINISTRATOR GENERAL.**

3. Appointment and designation of the Administrators General in the three Presidencies.
  4. Appointment and powers of Deputy Administrators General.
  5. Administrator General to be a corporation sole, to have perpetual succession and official seal, and to sue and be sued in his corporate name.
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**PART III.****RIGHTS, POWERS, DUTIES AND LIABILITIES OF THE ADMINISTRATOR GENERAL.***(a) Grants of letters of administration and probate.*

6. As regards Administrator General, High Court at Presidency-town to be deemed a Court of competent jurisdiction for the purpose of granting probate or letters of administration.
7. Administrator General entitled to letters of administration, unless granted to next-of-kin.
8. Administrator General entitled to letters of administration in preference to creditor, non-universal legatee or friend.
9. When Administrator General is to administer estate of persons other than exempted persons.
10. Power to direct Administrator General to apply for administration.

## SECTIONS.

11. Power to direct Administrator General to collect and hold assets until right of succession or administration is determined.
12. Grant of probate or letters of administration to person appearing in the course of proceedings taken by Administrator General under sections 9, 10 and 11.
13. Grant of administration to Administrator General in certain cases.
14. Administrator General not precluded from applying for letters within one month after death.

*(b) Estates of Persons subject to the Army Act.*

15. Act not to affect Regimental Debts Act, 1893.
16. Letters of administration not necessary in respect of small estates administered by Administrator General in accordance with the Regimental Debts Act, 1893.
17. Power to grant Administrator General letters limited to purpose of dealing with assets in accordance with the Regimental Debts Act, 1893.

*(c) Revocation of Grants.*

18. Recall of Administrator General's administration, and grant of probate, etc., to executor or next-of-kin.
19. Cost of obtaining administration, etc., may on revocation, be ordered to be paid to Administrator General out of assets.
20. After revocation, letters granted to Administrator General to be deemed as to him to have been voidable only.
21. Payments made by Administrator General prior to revocation.

*(d) General.*

22. Administrator General's petition for grant of letters of administration.
23. Probates or letters to be granted to Administrator General by his name of office, and powers of that officer in cases in which probate or letters of administration have been granted to the Ecclesiastical Registrar.
24. Effect of probate or letters granted to Administrator General.
25. Transfer by private executor or administrator of interest under probate or letters.
26. Distribution of assets.
27. Appointment of Official Trustee as trustee of assets after completion of administration.
28. Power for High Court to give directions regarding administration of estate.

## SECTIONS.

29. No security nor oath to be required from Administrator General.  
Manner in which petitions to be verified by Administrator General  
and his Deputy.  
Entry of Administrator General not to constitute notice of a trust.
30. Power to examine on oath.

*(e) Grant of Certificates.*

31. In what case Administrator General may grant certificate.
32. Grant of certificate to creditors and power to take charge of certain estates.
33. Administrator General not bound to grant certificate unless satisfied of claimant's title, etc.
34. Effect of certificate.
35. Revocation of certificate.
36. Surrender of revoked certificate.
37. Administrator General not bound to take out administration on account of assets for which he has granted certificate.
38. Transfer of certain assets from British India to executor or administrator in country of domicile for distribution.

*(f) Liability.*

39. Liability of Government.
40. Creditors' suits against Administrator General.
41. Notice of suit not required in certain cases.

## PART IV.

## FEES.

42. Fees.
43. Disposal of fees.

## PART V.

## AUDIT OF THE ADMINISTRATOR GENERAL'S ACCOUNTS.

44. Audit of Administrator General's accounts.
45. Auditors to examine accounts and report to Government.
46. Power of auditors to summon and examine witnesses and to call for documents.
47. Costs of audit, etc.

## PART VI.

## MISCELLANEOUS.

## SECTIONS.

48. General powers of administration.
49. Power of person beneficially interested to inspect Administrator General's accounts, etc., and take copies.
50. Power to make rules.
51. False evidence.
52. Assets unclaimed for twelve years to be transferred to Government.
53. Mode of proceeding by claimant to recover principal money so transferred.
54. District Judge in certain cases to take charge of property of deceased persons, and to report to Administrator General.
55. Succession Act and Companies Act not to affect Administrator General and saving of provisions of Presidency Police Acts as to petty estates.
56. Order of Court to be equivalent to decree.
57. Provision for administration by Consular Officer in case of death in certain circumstances of foreign subject.
58. Division of Presidency into Provinces.
59. Saving of provisions of Indian Registration Act, 1908.
60. Repeals.

## THE SCHEDULE.—ENACTMENTS REPEALED.

ACT NO. III OF 1913.<sup>1</sup>

[27th February, 1913.]

An Act to consolidate and amend the law relating to the office and duties of Administrator General.

WHEREAS it is expedient to consolidate and amend the law relating to the office and duties of Administrator General; It is hereby enacted as follows :—

## PART I.

## PRELIMINARY.

1. (1) This Act may be called the Administrator General's Act, 1913.

Short title,  
extent and  
commence-  
ment.

<sup>1</sup> For Statement of Objects and Reasons, see Gazette of India, 1912, Pt. V, p. 188; for Report of Select Committee, see *ibid*, 1913, Pt. V, p. 3; and for Proceedings in Council, see *ibid*, 1912, Pt. VI, p. 697, and *ibid*, 1913, Pt. VI, pp. 14, 28 and 64.

(2) It extends to the whole of British India, including the Sonthal Parganas and British Baluchistan, and applies also to all British and Indian subjects of His Majesty in the territories of Native States in India.

(3) It shall come into force on such<sup>1</sup> date as the Governor General in Council may, by notification in the Gazette of India, direct.

Interpreta-  
tion clause.

**2.** In this Act, unless there is anything repugnant in the subject or context,—

(1) “assets” means all the property, moveable and immoveable, of a deceased person, which is chargeable with and applicable to, the payment of his debts and legacies, or available for distribution among his heirs and next-of-kin :

(2) “exempted person” means an Indian Christian, a Hindu, Muhammadan, Parsi or Buddhist, or a person exempted under section 332 of the <sup>2</sup>Indian Succession Act, 1865, from the operation of that Act :

X of 1865.

(3) “Government” means the Governor General in Council, so far as the Act relates to the Presidency of Bengal and the Local Governments of Madras and Bombay respectively, so far as the Act relates to those Presidencies :

(4) “Indian Christian” means a Native of India who is or in good faith claims to be of unmixed Asiatic descent, and who professes any form of the Christian religion :

(5) “Letters of Administration” includes any letters of administration whether general or with a copy of the will annexed, or limited in time or otherwise :

(6) “next-of-kin” includes a widower or widow of a deceased person, or any other person who by law would be entitled to letters of administration in preference to a creditor or legatee of the deceased :

(7) “Official Gazette” means, in the case of the Presidency of Bengal, the Gazette of India, and in the cases of the Presidencies of Madras and Bombay, the Fort St. George and Bombay Government Gazettes, respectively :

(8) “Prescribed” means prescribed by rules under this Act :

(9) (a) “Presidency of Bengal” includes the territories for the time being under the government of the Governor of Fort William in Bengal in Council, the United Provinces of Agra and Oudh, the provinces of the Punjab, Burma, Bihar and Orissa, the Central Provinces, Assam, the North-West Frontier Province, the province of Delhi, Ajmer and Merwara, the Andaman and Nicobar Islands, and such of the territories of Native States aforesaid as the Governor General in Council may, by <sup>3</sup>notification in the Gazette of India, direct :—

(b) “Presidency of Bombay” includes the territories for the time being under the government of the Governor of Bombay in Council

<sup>1</sup> The 1st April, 1914, *see* Gazette of India, 1914, Pt. I, p. 365.

<sup>2</sup> Genl. Acts, Vol. I.

<sup>3</sup> For notification under this section in conjunction with section 54 including certain native States in the presidencies and provinces constituted for the purposes of the Act, *see* Gazette of India, 1914, Pt. I, p. 781.

the Province of British Baluchistan, and such of the territories of Native States aforesaid as the Governor General in Council may, by<sup>1</sup> notification in the Gazette of India, direct :

- (c) " Presidency of Madras " includes the territories for the time being under the government of the Governor of Fort St. George in Council, the province of Coorg, and such of the territories of Native States aforesaid as the Governor General in Council may, by <sup>1</sup>notification in the Gazette of India, direct :

(10) " Presidency " means any of the Presidencies mentioned in clause (9).

## PART II.

### THE OFFICE OF ADMINISTRATOR GENERAL.

**3.** (1) In each of the Presidencies of Bengal, Madras and Bombay, the Government shall appoint an Administrator General.

(2) No person shall be appointed to the office of Administrator General of any of the said Presidencies who is not—

- (a) a Barrister ; or
- (b) an Advocate, Attorney or Vakil enrolled by a High Court ; or
- (c) a person holding the office of Deputy Administrator General at the commencement of this Act.

(3) The said Administrators General shall be called respectively the Administrator General of Bengal, the Administrator General of Madras, and the Administrator General of Bombay.

**4.** The Government may appoint a Deputy or Deputies to assist the Administrator General ; and any Deputy so appointed shall, subject to the control of the Government and the general or special orders of the Administrator General, be competent to discharge any of the duties and to exercise any of the powers of the Administrator General, and when discharging such duties or exercising such powers shall have the same privileges and be subject to the same liabilities as the Administrator General.

**5.** The Administrator General shall be a corporation sole by the name of the Administrator General of the Presidency for which he is appointed and, as such Administrator General, shall have perpetual succession and an official seal, and may sue and be sued in his corporate name.

Appointment and designation of the Administrators General in the three Presidencies.

Appointment and powers of Deputy Administrators General.

Administrator General to be a corporation sole, to have perpetual succession and official seal, and to sue and be sued in his corporate name.

<sup>1</sup> See footnote 3 on p. 314 *supra*.

## PART III.

## RIGHTS, POWERS, DUTIES AND LIABILITIES OF THE ADMINISTRATOR GENERAL.

(a) *Grants of Letters of Administration and Probate.*

As regards Administrator General, High Court at Presidency-town to be deemed a Court of competent jurisdiction for the purpose of granting probate or letters of administration. Administrator General entitled to letters of administration, unless granted to next-of-kin. Administrator General entitled to letters of administration in preference to creditor, non-universal legatee or friend. When Administrator General is to administer estates of persons other than exempted persons.

6. So far as regards the Administrator General of any Presidency, the High Court at the Presidency-town shall be deemed to be a Court of competent jurisdiction for the purpose of granting probate or letters of administration under any law for the time being in force wheresoever within the Presidency the estate to be administered is situate.

7. Any letters of administration, which are granted after the commencement of this Act by the High Court at any Presidency-town, shall be granted to the Administrator General of the Presidency, unless they are granted to the next-of-kin of the deceased.

8. The Administrator General of the Presidency shall be deemed by all the Courts in the Presidency to have a right to letters of administration other than letters *pendente lite* in preference to that of—

- (a) a creditor ; or
- (b) a legatee other than an universal legatee ; or
- (c) a friend of the deceased.

9. If any person, not being an exempted person, has died leaving within any Presidency assets exceeding the value of one thousand rupees,

and if no person to whom any Court would have jurisdiction to commit administration of such assets has, within one month after his death, applied in such Presidency for probate of his will, or for letters of administration of his estate,

the Administrator General of the Presidency in which such assets are shall, subject to any rules made by the Government, within a reasonable time after he has had notice of the death of such person, and of his having left such assets, take such proceedings as may be necessary to obtain from the High Court at the Presidency-town letters of administration of the estate of such person.

**10.** Whenever any person has died leaving assets within the local limits of the ordinary original civil jurisdiction of the High Court at a Presidency-town, the Court, on being satisfied that danger is to be apprehended of misappropriation, deterioration or waste of such assets unless letters of administration of the estate of such person are granted, may upon the application of the Administrator General or of any person interested in such assets or in the due administration thereof, make an order, upon such terms as to indemnifying the Administrator General against costs and other expenses as the Court thinks fit, directing the Administrator General to apply for letters of administration of the estate of such person :

Power to direct Administrator General to apply for administration.

Provided that, in the case of an application being made under this section for letters of administration of the estate of an exempted person, the Court may refuse to grant letters of administration, if it is satisfied that such grant is unnecessary for the protection of the assets ; and in such case the Court shall make such order as to the costs of the application as it thinks fit.

**11.** (1) Whenever any person has died leaving assets within the local limits of the ordinary original civil jurisdiction of any of the said High Courts, and such Court is satisfied that there is no person immediately available, who is legally entitled to the succession to such assets, or that danger is to be apprehended of misappropriation, deterioration or waste of such assets, before it can be determined who may be legally entitled to the succession thereto, or whether the Administrator General is entitled to letters of administration of the estate of such deceased person,

Power to direct Administrator General to collect and hold assets until right of succession or administration is determined.

the Court may, upon the application of the Administrator General or of any person interested in such assets, or in the due administration thereof, forthwith direct the Administrator General to collect and take possession of such assets, and to hold, deposit, realize, sell or invest the same according to the directions of the Court, and in default of any such directions according to the provisions of this Act so far as the same are applicable to such assets.

(2) Any order of the Court made under the provisions of this section shall entitle the Administrator General,

- (a) to maintain any suit or proceeding for the recovery of such assets, and
- (b) if he thinks fit, to apply for letters of administration of the estate of such deceased person, and
- (c) to retain out of the assets of the estate any fees chargeable under rules made under this Act, and to reimburse himself for all payments made by him in respect of such assets which a private administrator might lawfully have made.

**12.** If, in the course of proceedings to obtain letters of administration under the provisions of section 9, section 10, or section 11, any person appears and establishes his claim—

Grant of probate or letters of administration to person appearing in the course of proceedings taken

- (a) to probate of the will of the deceased ; or
- (b) to letters of administration as next-of-kin of the deceased, and gives such security as may be required of him by law,



by Administrator General under sections 9, 10 and 11. Grant of administration to Administrator General in certain cases.

the Court shall grant probate of the will or letters of administration accordingly, and shall award to the Administrator General the costs of any proceedings taken by him, under those sections to be paid out of the estate as part of the testamentary or intestate expenses thereof.

**13.** If, in the course of proceedings to obtain letters of administration under the provisions of section 9, section 10 or section 11, no person appears and establishes his claim to probate of a will, or to a grant of letters of administration as next-of-kin of the deceased, within such period as to the Court seems reasonable,

or if a person who has established his claim to a grant of letters of administration as next-of-kin of the deceased fails to give such security as may be required of him by law,

the Court may grant letters of administration to the Administrator General.

Administrator General not precluded from applying for letters within one month after death.

**14.** Nothing in this Act shall be deemed to preclude the Administrator General from applying to the Court for letters of administration in any case within the period of one month from the death of the deceased.

(b) *Estates of Persons subject to the Army Act.*

Act not to affect Regimental Debts Act, 1893. Letters of administration not necessary in respect of small estates administered by Administrator General in accordance with the Regimental Debts Act, 1893.

**15.** Nothing in this Act shall be deemed to affect the provisions of the Regimental<sup>1</sup> Debts Act, 1893.

[ 55 & 56  
Vict., c. 57.]

**16.** It shall not be necessary for the Administrator General to take out letters of administration of the estate of any deceased person which is being administered by him in accordance with the provisions of the Regimental<sup>1</sup> Debts Act, 1893, if the value of such estate does not on the date when such administration is committed to him exceed rupees one thousand, but he shall have the same power in regard to such estate as he would have had if letters of administration had been granted to him.

[ 55 & 56  
Vict., c. 57.]

Power to grant Administrator General letters limited to purpose of dealing with assets in accordance with the Regimental Debts Act, 1893.

**17.** If the Administrator General applies, in accordance with the provisions of the Regimental<sup>1</sup> Debts Act, 1893, for letters of administration of the estate of any person subject to the Army Act, the Court may grant to him letters of administration limited to the purpose of dealing with such estate in accordance with the provisions of the Regimental<sup>1</sup> Debts Act, 1893.

[ 55 & 56  
Vict., c. 57.]

<sup>1</sup> Coll. Stats. Ind., Vol. II.

(c) *Revocation of Grants.*

**18.** If an executor or next-of-kin of the deceased, who has not been personally served with a citation or who has not had notice thereof in time to appear pursuant thereto establishes to the satisfaction of the Court a claim to probate of a will or to letters of administration in preference to the Administrator General, any letters of administration granted in accordance with the provisions of this Act to the Administrator General may be revoked, and probate or letters of administration may be granted to such executor or next-of-kin as the case may be :

Recall of Administrator General's administration, and grant of probate, etc., to executor or next-of-kin.

Provided that no letters of administration granted to the Administrator General shall be revoked for the cause aforesaid, except in cases in which a will of the deceased is proved in the Presidency, unless the application for that purpose is made within six months after the grant to the Administrator General and the Court is satisfied that there has been no unreasonable delay in making the application, or in transmitting the authority under which the application is made.

**19.** If any letters of administration granted to the Administrator General in accordance with the provisions of this Act are revoked, the Court may order the costs of obtaining such letters of administration, and the whole or any part of any fees which would otherwise have been payable under this Act, together with the costs of the Administrator General in any proceedings taken to obtain such revocation, to be paid to or retained by the Administrator General out of the estate :

Cost of obtaining administration, etc., may, on revocation, be ordered to be paid to Administrator General out of assets.

Provided that nothing in this section shall affect the provisions of clause (c) of sub-section (2) of section 11.

**20.** If any letters of administration granted to the Administrator General in accordance with the provisions of this Act are revoked, the same shall, so far as regards the Administrator General and all persons acting under his authority in pursuance thereof, be deemed to have been only voidable, except as to any act done by any such Administrator General or other person as aforesaid, after notice of a will or of any other fact which would render such letters void :

After revocation, letters granted to Administrator General to be deemed as to him to have been voidable only.

Provided that no notice of a will or of any other fact which would render any such letters void shall affect the Administrator General or any person acting under his authority in pursuance of such letters unless, within the period of one month from the time of giving such notice, proceedings are commenced to prove the will, or to cause the letters to be revoked, and such proceedings are prosecuted without unreasonable delay.

**21.** If any letters of administration granted to the Administrator General in accordance with the provisions of this Act are revoked, upon the grant of probate of a will, or upon the grant of letters of administration with a copy of the will annexed, all payments made or acts done by or under the authority of the Administrator General in pursuance of such letters of administration, Payments made by Administrator General prior to revocation.

prior to the revocation, which would have been valid under any letters of administration lawfully granted to him with a copy of such will annexed, shall be deemed valid notwithstanding such revocation.

(d) *General.*

Adminis-  
trator  
General's  
petition for  
grant of  
letters of  
administra-  
tion.

**22.** Whenever any Administrator General applies for letters of administration in accordance with the provisions of this Act, it shall be sufficient if the petition required to be presented for the grant of such letters states,

- (i) the time and place of the death of the deceased to the best of the knowledge and belief of the petitioner,
- (ii) the names and addresses of the surviving next-of-kin of the deceased if known,
- (iii) the particulars and value of the assets likely to come into the hands of the petitioner,
- (iv) particulars of the liabilities of the estate if known.

Probates or  
letters to be  
granted to  
Adminis-  
trator  
General  
by his name  
of office, and  
powers of  
that officer  
in cases in  
which  
probate or  
letters of  
administra-  
tion have  
been granted  
to the Ec-  
clesiastical  
Registrar.  
Effect of  
probate or  
letters  
granted to  
Adminis-  
trator  
General.

**23.** (1) All probates or letters of administration granted to any Administrator General shall be granted to him by that name, and all probates or letters of administration heretofore granted to the Ecclesiastical Registrar, or to the Administrator General of any Presidency shall authorise the Administrator General of the same Presidency to act as executor or administrator, as the case may be, of the estate to which such probate or letters relate.

(2) All probates and letters of administration granted to the Ecclesiastical Registrar of any of the late Supreme Courts shall have the same effect in all respects as to any act hereafter done or required to be done under this Act as if they had been granted to the Administrator General.

**24.** Probate or letters of administration granted by the High Court at any Presidency-town to the Administrator General of any Presidency shall have effect over all the assets of the deceased throughout such Presidency, and shall be conclusive as to the representative title against all debtors of the deceased and all persons holding such assets, and shall afford full indemnity to all debtors paying their debts and all persons delivering up such assets to such Administrator General:

Provided that the High Court may direct, by its grant, that such probate or letters of administration shall have like effect throughout one or more of the other Presidencies.

Whenever a grant is made by a High Court to the Administrator General with such effect as last aforesaid, the Court shall send to the other High Courts a certificate that such grant has been made, and such certificate shall be filed by the Courts receiving the same.

**25.** (1) Any private executor or administrator may, with the previous consent of the Administrator General of the Presidency in which any of the assets of the estate, in respect of which such executor or administrator has obtained probate or letters of administration, are situate, by an instrument in writing under his hand notified in the official Gazette, transfer the assets of the estate vested in him by virtue of such probate or letters to the Administrator General by that name or any other sufficient description.

(2) As from the date of such transfer the transferor shall be exempt from all liability as such executor or administrator, as the cases may be, except in respect of acts done before the date of such transfer, and the Administrator General shall have the rights which he would have had, and be subject to the liabilities to which he would have been subject, if the probate or letters of administration, as the case may be, had been granted to him by that name at the date of such transfer.

**26.** (1) When the Administrator General has given the prescribed notice for creditors and others to send in to him their claims against the estate of the deceased, he shall, at the expiration of the time therein named for sending in claims, be at liberty to distribute the assets or any part thereof in discharge of such lawful claims as he has notice of.

(2) He shall not be liable for the assets so distributed to any person of whose claim he had not notice at the time of such distribution.

(3) No notice of any claim which has been sent in and has been rejected or disallowed in part by the Administrator General shall affect him unless proceedings to enforce such claim are commenced within one month after notice of the rejection or disallowance of such claim has been given in the prescribed manner and unless such proceedings are prosecuted without unreasonable delay.

(4) Nothing in this section shall prejudice the right of any creditor or other claimant to follow the assets or any part thereof in the hands of the persons who may have received the same respectively.

(5) In computing the period of limitation for any suit, appeal or application under the provisions of any law for the time being in force, the period between the date of submission of the claim of a creditor to the Administrator General and the date of the final decision of the Administrator General on such claim shall be excluded.

**27.** (1) When the Administrator General has, so far as may be, discharged all the liabilities of an estate administered by him, he shall notify the fact in the official Gazette, and he may, by an instrument in writing, with the consent of the Official Trustee and subject to any rules made by the Government, appoint the Official Trustee to be the trustee of any assets then remaining in his hands.

(2) Upon such appointment such assets shall vest in the Official Trustee as if he had been appointed trustee in accordance with the provisions of the

<sup>1</sup>Official Trustees Act, 1913, and shall be held by him upon the same trusts as the same were held immediately before such appointment.

Power for High Court to give directions regarding administration of estate.

**28.** (1) The High Court at the Presidency-town may, on application made to it, give to the Administrator General of the presidency any general or special directions as to any estate in his charge or in regard to the administration of any such estate.

(2) Applications under sub-section (1) may be made by the Administrator General or any person interested in the assets or in the due administration thereof.

No security nor oath to be required from Administrator General.

**29.** (1) No Administrator General shall be required by any Court to enter into any administration-bond, or to give other security to the Court, on the grant of any letters of administration to him by that name.

Manner in which petitions to be verified by Administrator General and his Deputy.

(2) No Administrator General or Deputy Administrator General shall be required to verify, otherwise than by his signature, any petition presented by him under the provisions of this Act, and, if the facts stated in any such petition are not within the Administrator General's own personal knowledge, the petition may be subscribed and verified by any person competent to make the verification.

Entry of Administrator General not to constitute notice of a trust.

(3) The entry of the Administrator General by that name in the books of a Company shall not constitute notice of a trust, and a Company shall not be entitled to object to enter the name of the Administrator General on its register by reason only that the Administrator General is a corporation and in dealing with assets the fact that the person dealt with is the Administrator General shall not of itself constitute notice of a trust.

Power to examine on oath.

**30.** The Administrator General may, whenever he desires, for the purposes of this Act, to satisfy himself regarding any question of fact, examine upon oath (which he is hereby authorised to administer) any person who is willing to be so examined by him regarding such question.

#### (e) Grant of Certificates.

In what case Administrator General may grant certificate.

**31.** Whenever any person has died leaving assets within any Presidency, and the Administrator General of such Presidency is satisfied that such assets excluding any sum of money deposited in a Government Savings Bank, or in any Provident Fund to which the provisions of the Provident <sup>2</sup> Funds Act, 1897, apply, did not at the date of death exceed in the whole one thousand rupees—in value, he may, after the lapse of one month from the death if he thinks fit, or before the lapse of the said month if he is requested so to do by writing under the hand of the executor or the widow or other person entitled to administer the estate of the deceased, grant to any person, claiming otherwise than as a creditor to be interested in such assets, or in the due adminis-

<sup>1</sup> IX of 1897.

<sup>1</sup> *Sagwa*, p. 297

<sup>2</sup> Genl. Acts, Vol. IV.

tration thereof, a certificate under his hand entitling the claimant to receive the assets therein mentioned left by the deceased, within the Presidency to a value not exceeding in the whole one thousand rupees :

Provided that no certificate shall be granted under this section—

- (i) where probate of the deceased's will or letters of administration of his estate has or have been granted, or
- (ii) in respect of any sum of money deposited in a Government Savings Bank or in any Provident Fund to which the provisions of the Provident <sup>1</sup> Funds Act, 1897, apply.

IX of 1897.

**32.** If, in cases falling within section 31, no person claiming to be interested otherwise than as a creditor in such assets or in the due administration thereof obtains, within three months of the death of the deceased a certificate from the Administrator General under the same section, or probate of a will or letters of administration of the estate of the deceased, and such deceased was not an exempted person, or was an exempted person who has left assets within the ordinary original civil jurisdiction of the High Court, or within any area notified by the Government in this behalf in the official Gazette, the Administrator General may administer the estate without letters of administration, in the same manner as if such letters had been granted to him ;

and if he neglects or refuses to administer such estate, he shall, upon the application of a creditor, grant a certificate to him in the same manner as if he were interested in such assets otherwise than as a creditor,

and such certificate shall have the same effect as a certificate granted under the provisions of section 31, and shall be subject to all the provisions of this Act which are applicable to such certificate :

Provided that the Administrator General may, before granting such certificate, if he thinks fit, require the creditor to give reasonable security for the due administration of the estate of the deceased.

**33.** The Administrator General shall not be bound to grant any certificate under section 31 or section 32 unless he is satisfied of the title of the claimant and of the value of the assets left by the deceased within the presidency either by the oath of the claimant, or by such other evidence as he requires.

**34.** The holder of a certificate granted in accordance with the provisions of section 31 or section 32 shall have in respect of the assets specified in such certificate the same powers and duties, and be subject to the same liabilities as he would have had or been subject to if letters of administration had been granted to him :

<sup>1</sup> Genl. Acts, Vol. IV.

Provided that nothing in this section shall be deemed to require any person holding such certificate.

- (a) to file accounts or inventories of the assets of the deceased before any Court or other authority, or
- (b) save as provided in section 32 to give any bond for the due administration of the estate.

Revocation  
of certificate.

**35.** The Administrator General may revoke a certificate granted under the provisions of section 31 or section 32 on any of the following grounds, namely :—

- (i) that the certificate was obtained by fraud or misrepresentation made to him,
- (ii) that the certificate was obtained by means of an untrue allegation of a fact essential in law to justify the grant though such allegation was made in ignorance or inadvertently.

Surrender  
of revoked  
certificate.

**36.** (1) When a certificate is revoked in accordance with the provisions of section 35, the holder thereof shall, on the requisition of the Administrator General, deliver it up to such Administrator General, but shall not be entitled to the refund of any fee paid thereon.

(2) If such person wilfully and without reasonable cause omits to deliver up the certificate, he shall be punishable with imprisonment which may extend to three months, or with fine which may extend to one thousand rupees, or with both.

Adminis-  
trator  
General not  
bound to  
take out ad-  
ministration  
on account  
of assets for  
which he has  
granted  
certificate.

**37.** The Administrator General shall not be bound to take out letters of administration of the estate of any deceased person on account of the assets in respect of which he grants any certificate, under section 31 or section 32, but he may do so if he revokes such certificate under section 35 or ascertains that the value of the estate exceeded one thousand rupees.

Transfer of  
certain  
assets from  
British  
India to  
executor or  
adminis-  
trator in  
country of  
domicile  
for distribu-  
tion.

**38.** Where a person not having his domicile in British India has died leaving assets in any Presidency and in the country in which he had his domicile at the time of his death, and proceedings for the administration of his estate with respect to assets in any such Presidency have been taken under section 31 or section 32, and there has been a grant of administration in the country of domicile with respect to the assets in that country,

the holder of the certificate granted under section 31 or section 32, or the Administrator General, as the case may be, after having given the prescribed notice for creditors and others to send in to him their claims against the estate of the deceased, and after having discharged, at the expiration of the time therein named, such lawful claims as he has notice of, may, instead of himself distributing any surplus or residue of the deceased's property to persons residing out of British India who are entitled thereto transfer, with the con-

sent of the executor or administrator, as the case may be, in the country of domicile, the surplus or residue to him for distribution to those persons.

(f) *Liability.*

**39.** (1) The revenues of the Government of India shall be liable to make good all sums required to discharge any liability which the Administrator General, if he were a private administrator, would be personally liable to discharge, except when the liability is one to which neither the Administrator General nor any of his officers has in any way contributed, or which neither he nor any of his officers could, by the exercise of reasonable diligence have averted, and in either of those cases the Administrator General shall not, nor shall the revenues of the Government of India, be subject to any liability. Liability of Government

(2) Nothing in sub-section (1) shall be deemed to render the Government of India or the Administrator General liable for anything done before the commencement of this Act, by or under the authority of the Administrator General.

**40.** (1) If any suit be brought by a creditor against any Administrator General, such creditor shall be liable to pay the costs of the suit unless he proves that not less than one month previous to the institution of the suit he had applied in writing to the Administrator General, stating the amount and other particulars of his claim, and had given such evidence in support thereof as, in the circumstances of the case, the Administrator General was reasonably entitled to require. Creditors' suits against Administrator General.

(2) If any such suit is decreed in favour of the creditor, he shall, nevertheless, unless he is a secured creditor, be only entitled to payment out of the assets of the deceased equally and rateably with the other creditors.

V of 1908.

**41.** Nothing in section 80 of the Code<sup>1</sup> of Civil Procedure, 1908 shall apply to any suit against the Administrator General in which no relief is claimed against him personally. Notice of suit not required in certain case

## PART IV.

### FEEES.

**42.** (1) There shall be charged in respect of the duties of the Administrator General such fees, whether by way of percentage or otherwise, as may be prescribed by the Government: Fees.

Provided that, in the case of any estate, the administration of which has been committed to the Administrator General before the commencement of this Act, the fees prescribed under this section shall not exceed the fees leviable in respect of such estate under the Administrator General's Act, 1874, as subsequently amended:

II of 1874.

<sup>1</sup> Genl. Acts, Vol. VI.



Provided further that, in respect of the duties of the Administrator General under the Regimental<sup>1</sup> Debts Act, 1893, the fees prescribed in this section shall be determined in accordance with the provisions of that Act. 55 & 56  
Vict., c. 57.

(2) The fees under this section may be at different rates for different estates or classes of estates or for different duties, and shall, so far as may be, be arranged so as to produce an amount sufficient to discharge the salaries and all other expenses incidental to the working of this Act (including such sum as Government may determine to be required to insure the revenues of the Government of India against loss under this Act).

Disposal  
of fees.

**43.** (1) Any expenses which might be retained or paid out of any estate in the charge of the Administrator General, if he were a private administrator of such estate, shall be so retained or paid and the fees prescribed under section 42 shall be retained or paid in like manner as and in addition to such expenses.

(2) The Administrator General shall transfer and pay to such authority, in such manner and at such time as the Government may prescribe, all fees received by him under this Act, and the same shall be carried to the account and credit of the Government of India.

## PART V.

### AUDIT OF THE ADMINISTRATOR GENERAL'S ACCOUNTS.

Audit of  
Administrator  
General's  
accounts.

**44.** The accounts of every Administrator General shall be audited at least once annually, and at any other time if the Government so direct, by the prescribed person and in the prescribed manner.

Auditors to  
examine  
accounts and  
report to  
Government.

**45.** The auditors shall examine the accounts and forward to the Government a statement thereof in the prescribed form, together with a report thereon and a certificate signed by them showing—

- (a) whether they contain a full and true account of everything which ought to be inserted therein,
- (b) whether the books which by any rules made under this Act are directed to be kept by the Administrator General, have been duly and regularly kept, and
- (c) whether the assets and securities have been duly kept and invested and deposited in the manner prescribed by this Act, or by any rules made thereunder,

or (as the case may be) that such accounts are deficient, or that the Administrator General has failed to comply with this Act or the rules made thereunder, in such respects as may be specified in such certificate.

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<sup>1</sup> Coll. of Stats. Ind., Vol. II

- V of 1908. **46.** (1) Every auditor shall have the powers of a Civil Court under the <sup>1</sup>Code of Civil Procedure, 1908, Power of auditors to summon and examine witnesses, and to call for documents.
- (a) to summon any person whose presence he thinks necessary to attend him from time to time; and
  - (b) to examine any person on oath to be by him administered; and
  - (c) to issue a commission for the examination on interrogatories or otherwise of any person; and
  - (d) to summon any person to produce any document or thing the production of which appears to be necessary for the purpose of such audit or examination.

(2) Any person who when summoned refuses, or without reasonable cause, neglects to attend or to produce any document or thing or attends and refuses to be sworn, or to be examined, shall be deemed to have committed an offence within the meaning of, and punishable under, section 188 of the <sup>2</sup>Indian Penal Code, and the auditor shall report every case of such refusal or neglect to Government.

**47.** The costs of and incidental to such audit and examination shall be determined in accordance with rules made by the Government, and shall be defrayed in the prescribed manner. Costs of audit, etc.

## PART VI.

### MISCELLANEOUS.

**48.** The Administrator General may, in addition to, and not in derogation of, any other powers of expenditure lawfully exercisable by him, incur expenditure— General powers of Administration.

- (a) on such acts as may be necessary for the proper care and management of any property belonging to any estate in his charge; and
- (b) with the sanction of the High Court at the Presidency-town on such religious, charitable and other objects, and on such improvements as may be reasonable and proper in the case of such property.

**49.** Any person interested in the administration of any estate, which is in the charge of the Administrator General shall, subject to such conditions and restrictions as may be prescribed, be entitled at all reasonable times to inspect the accounts relating to such estate and the reports and certificates of the auditor, and on payment of the prescribed fee, to copies thereof and extracts therefrom. Power of person beneficially interested to inspect Administrator General's accounts, etc., and take copies.

**50.** (1) The Government shall make <sup>3</sup>rules for carrying into effect the objects of this Act and for regulating the proceedings of the Administrator General.

<sup>1</sup> Genl. Acts, Vol. VI.

<sup>2</sup> Genl. Acts, Vol. I.

<sup>3</sup> Genl. Acts, Vol. I.

<sup>1</sup>(2) In particular and without prejudice to the generality of the foregoing power, such rules may provide for—

- (a) the accounts to be kept by the Administrator General and the audit and inspection thereof,
- (b) the safe custody, deposit and investment of assets and securities which come into the hands of the Administrator General,
- (c) the remittance of sums of money in the hands of the Administrator General in cases in which such remittances are required,
- (d) subject to the provisions of this Act, the fees to be paid under this Act, and the collection and accounting for any such fees,
- (e) the statements, schedules and other documents to be submitted to the Government or to any other authority by the Administrator General, and the publication of such statements, schedules or other documents,
- (f) the realization of the cost of preparing any such statements, schedules or other such documents,
- (g) the manner in which and the person by whom the costs of and incidental to any audit under the provisions of this Act are to be determined and defrayed,
- (h) the manner in which summonses issued under the provisions of section 46 are to be served and the payment of the expenses of any persons summoned or examined under the provisions of this Act and of any expenditure incidental to such examination, and
- (i) any matter in this Act directed to be prescribed.

(3) All rules made under this Act shall be published in the official Gazette and, on such publication, shall have effect as if enacted in this Act.

False evidence.

**51.** Whoever, during any examination authorised by this Act, makes upon oath a statement which is false and which he either knows or believes to be false or does not believe to be true, shall be deemed to have intentionally given false evidence in a stage of a judicial proceeding.

Assets un-claimed for twelve years to be transferred to Government.

**52.** All assets in the charge of the Administrator General which have been in his custody for a period of twelve years or upwards whether before or after the commencement of this Act without any application for payment thereof having been made and granted by him shall be transferred, in the prescribed manner, to the account and credit of the Government of India :

Provided that this section shall not authorise the transfer of any such assets as aforesaid, if any suit or proceeding is pending in respect thereof in any Court.

Mode of proceeding by claimant to recover principal money so transferred.

**53.** (1) If any claim is hereafter made to any part of the assets transferred to the account and credit of the Government of India under the provisions of this Act, or any Act hereby repealed, and if such claim is established to the satisfaction of the prescribed authority, the Government of India shall pay to the claimant the amount of the principal so transferred to its account and credit or so much thereof as appears to be due to the claimant.

<sup>1</sup> For clause (ff) see Corrigenda.

(2) If the claim is not established to the satisfaction of the prescribed authority, the claimant may, without prejudice to his right to take any other proceedings for the recovery of such assets, apply by petition to the High Court at the Presidency-town against the Secretary of State for India in Council, and such Court, after taking such evidence as it thinks fit, shall make such order in regard to the payment of the whole or any part of the said principal sum as it thinks fit, and such order shall be binding on all parties to the proceeding.

(3) The Court may further direct by whom the whole or any part of the cost of each party shall be paid.

**54.** (1) Whenever any person, other than an exempted person, dies leaving assets within the limits of the jurisdiction of a District Judge, the District Judge shall report the circumstance without delay to the Administrator General of the Presidency, stating the following particulars so far as they may be known to him :—

District Judge in certain cases to take charge of property of deceased persons, and to report to Administrator General.

- (a) the amount and nature of the assets,
- (b) whether or not the deceased left a will and if so, in whose custody it is,
- (c) the names and addresses of the surviving next-of-kin of the deceased, and, on the lapse of one month from the date of the death,
- (d) whether or not any one has applied for probate of the will of the deceased or letters of administration of his estate.

X of 1865.

(2) The District Judge shall retain the assets under his charge, or appoint an officer under the provisions of section 239 of the <sup>1</sup>Indian Succession Act, 1865, to take and keep possession of the same until the Administrator General has obtained letters of administration, or until some other person has obtained probate or such letters or a certificate from the Administrator General under the provisions of this Act, when the assets shall be delivered over to the holder of such probate, letters of administration or certificate :

Provided that the District Judge may, if he thinks fit, sell any assets which are subject to speedy and natural decay, or which for any other sufficient cause he thinks should be sold, and he shall thereupon credit the proceeds of such sale to the estate.

(3) The District Judge may cause to be paid out of any assets of which he or such officer has charge, or out of the proceeds of such assets or of any part thereof, such sums as may appear to him to be necessary for all or any of the following purposes, namely :—

- (a) the payment of the expenses of the funeral of the deceased and of obtaining probate of his will or letters of administration of his estate or a certificate under this Act,
- (b) the payment of wages due for services rendered to the deceased within three months next preceding his death by any labourer, artisan or domestic servant,

<sup>1</sup> Genl. Acts, Vol. 1.

(c) the relief of the immediate necessities of the family of the deceased, and

(d) such acts as may be necessary for the proper care and management of the assets left by the deceased,

and nothing in section 279, section 280 or section 281<sup>1</sup> of the <sup>1</sup>Indian Succession Act, 1865, or in any other law for the time being in force with <sup>X</sup> of 1865. respect to rights of priority of creditors of deceased persons shall be held to affect the validity of any payment so caused to be made.

Succession Act and Companies Act not to affect Administrator General, and saving of provisions of Presidency Police Acts as to petty estates.

**55.** (1) Nothing contained in the <sup>1</sup>Indian Succession Act, 1865 or the <sup>X</sup> of 1865. <sup>2</sup>Indian Companies Act, 1882, shall be taken to supersede or affect the rights, <sup>VI</sup> of 1882. duties and privileges of any Administrator General.

(2) Nothing contained in the <sup>1</sup>Indian Succession Act, 1865, or in this Act <sup>X</sup> of 1865. shall be deemed to affect, or to have affected, any law for the time being in force relating to the moveable property under two hundred rupees in value of persons dying intestate within any of the Presidency-towns or in the town of Rangoon, which shall be or has been taken charge of by the police for the purpose of safe custody.

Order of Court to be equivalent to decree.

**56.** Any order made under this Act by any Court shall have the same effect as a decree.

Provision for administration by Consular Officer in case of death in certain circumstances of foreign subject.

**57.** Notwithstanding anything in this Act, or in any other law for the time being in force, the Governor General in Council may, by general or special order, direct that, where a subject of a foreign State dies in British India, and it appears that there is no one in British India other than the Administrator General, entitled to apply to a Court of competent jurisdiction for letters of administration of the estate of the deceased, letters of administration shall, on the application to such Court of any Consular Officer of such foreign State, be granted to such Consular Officer on such terms and conditions as the Court may, subject to any rules made in this behalf by the Governor General in Council by notification in the Gazette of India, think fit to impose.

Division of Presidency into Provinces.

**58.** (1) Notwithstanding anything in the foregoing provisions of this Act, the Governor General in Council may, by <sup>3</sup>notification in the Gazette of India,—

(a) remove any of the territories included in the Presidency of Bengal from such Presidency and constitute the same into provinces for the purposes of this Act ;

(b) <sup>4</sup>direct that for the purposes of this Act any of the territories of any Native State in India shall be included in any province so constituted ; and

(c) appoint any person qualified in accordance with the provisions of sub-section (2) of section 3, or who holds office under Government

<sup>1</sup> Genl. Acts, Vol. I.

<sup>2</sup> See now the Indian Companies Act, 1913 (VII of 1913), which comes into force on the 1st April, 1914.

<sup>3</sup> For notification constituting provinces for the purposes of the Act, and appointing Administrators General for the said provinces and appointing the Government and the High Court in the different provinces, see Gazette of India, 1914, pt. I, p. 365.

<sup>4</sup> For notification under the section in conjunction with section 2 (9) see Gazette of India, 1914, Pt. I, p. 781.

to be an Administrator General for any such province to be called the Administrator General of the Province, and, subject to the provisions of this section, the following consequences shall thereupon ensue, namely :—

- (i) the Administrator General of a Province shall by that name have the like rights, powers, privileges and liabilities, and perform the like duties, in the Province as the Administrator General of the Presidency within which such territories were included had and performed as Administrator General therein and shall be deemed to be his successor in office :
- (ii) the powers and duties of the Government under this Act shall, as regards the Province, be exercised and discharged by the Governor General in Council or by such Local Government as the Governor General in Council may, by notification in the Gazette of India, appoint in this behalf ; and the Gazette of the Government exercising and discharging such powers and duties shall be the official Gazette of the Province for the purposes of this Act :
- (iii) the powers and duties assigned by the foregoing provisions of this Act to the High Court shall be exercised and discharged in respect of such province by such Court as the Governor General in Council may, by notification in the Gazette of India, appoint in this behalf ; and probate or letters of administration granted to the Administrator General of the Province by the Court so appointed shall have the same effect throughout the Province, or, if the Court so directs, throughout the Presidencies of Bengal, Bombay and Madras, or any part thereof, as probate or letters of administration granted to the Administrator General by the High Court at a Presidency-town would or might have had :
- (iv) in the foregoing provisions of this Act the word “ Presidency ” shall be deemed to include a Province, and the expression “ Presidency-town ” the place of sitting of the Court appointed by the Governor General in Council under clause (iii) of this sub-section :
- (v) generally, the provisions of the foregoing sections of this Act with respect to the High Court as a Presidency-town and the provisions of those sections or of any other enactment with respect to the Administrator General of a Presidency shall, in relation to a Province, be construed, so far as may be, to apply to the Court and Administrator General, respectively, appointed for the province under this section.

(2) Any proceeding which was commenced before the publication of the notification constituting the Province and, to or in which the Administrator General of any Presidency within which any of the territories constituted into a Province were situate was a party or was otherwise concerned, shall be continued as if the notification had not been published.

(3) If, by reason of the constitution of Provinces for the purposes of this Act, it appears to the Governor General in Council that any property vested in the Administrator General of any Presidency should be vested in the Administrator General of a province, he may direct that the property shall be so vested, and thereupon it shall vest in the Administrator General of the Province as fully and effectually for the purposes of this Act as if probate or letters of administration had been granted to him originally.

(4) If in accordance with the provisions of this section territories have been removed from the Presidency of Bengal and constituted a Province for the purposes of this Act, the Governor General in Council may, by notification in the Gazette of India, direct that as regards the Presidency of Bengal excluding the territories so removed, the powers and duties of the Government under this Act shall be exercised and discharged by the Local Government of Bengal, and that the official Gazette shall be the Calcutta Gazette.

(5) Upon the rescission of a notification constituting a Province under subsection (7), the territories comprised therein shall again form part of the Presidency within which they were originally included, the office of Administrator General of the Province shall determine and all properties vested in and all proceedings by or against such Administrator General pending at the date of the rescission shall vest in and be carried on by or against such Administrator General or Administrators General as the Governor General in Council may direct.

Saving of provisions of Indian Registration Act, 1908. Repeals.

**59.** Nothing in this Act shall be deemed to affect the provisions of the XVI of 1908.<sup>1</sup> Indian Registration Act, 1908.

**60.** The enactments specified in the Schedule are hereby repealed to the extent specified in the third column thereof :

Provided that any administration, by or in pursuance of any Act hereby repealed, committed to any Administrator General at the commencement of this Act shall be deemed to be committed to the Administrator General under his Act.

### THE SCHEDULE.

#### ENACTMENTS REPEALED.

(See section 69.)

Number and year.	Short title.	Extent of repeal.
I of 1874 . . .	The Administrator General's Act, 1874.	So much as has not been repealed.
X of 1881 . . .	The Administrator General's Act, 1881.	Ditto ditto.

<sup>1</sup> Genl. Acts, Vol. VI.

THE SCHEDULE—*concl'd.*

Number and year.	Short title.	Extent of repeal.
II of 1890 . . .	The Probate and Administration Act, 1890.	So much of the Title and Preamble as relates to the Administrator General's Act, 1874, and sections 10 to 15.
XII of 1891 . . .	The Amending Act, 1891 . . .	So much as relates to Act II of 1874.
VII of 1901 . . .	The Native Christian Administration of Estates Act, 1901.	In the Preamble the words "to exempt them from . . . are exempted" and section 1.
V of 1902 . . .	The Administrators General and Official Trustees Act, 1902	So far as it relates to Administrators General and Deputy Administrators General.

ACT NO V OF 1913.<sup>1</sup>

[7th March, 1913.]

An Act to prohibit the importation, manufacture and sale of matches made with white phosphorus.

WHEREAS it is expedient to prohibit the importation, manufacture and sale of matches made with white phosphorus ; It is hereby enacted as follows :—

1. (1) This Act may be called the White Phosphorus Matches Prohibition Act, 1913. Short title, extent and commencement.

(2) It extends to the whole of British India ; and

(3) It shall come into force on the first day of July, 1913, with the exception of section 6, which shall come into force on the first day of July, 1914.

2. In this Act, "white phosphorus" means the substance commonly known as white or yellow phosphorus. Definition.

VIII of 1878. 3. To section 18 of the <sup>2</sup>Sea Customs Act, 1878, the following clause shall be added, namely :—

"(g) matches made with white phosphorus."

4. (1) No person shall use white phosphorus in the manufacture of matches.

(2) Any person who uses, or permits the use by any person under his control of, white phosphorus in the manufacture of matches, shall be punishable with fine which may extend to two hundred rupees.

Prohibition of importation by addition to section 18, Act VIII of 1878. Prohibition of use of white phosphorus in manufacture of matches.

<sup>1</sup> For Statement of Objects and Reasons, see Gazette of India, 1912, Pt. V, p. 220 ; for Report of Select Committee, see *ibid.*, 1913, Pt. V, p. 35 ; and for Proceedings in Council, see *ibid.*, 1913, Pt. VI, pp. 16, 64, and 146.

<sup>2</sup> Genl. Acts, Vol. III.



Power of  
Inspector of  
Factories to  
take samples  
of material  
used in  
manufacture.

5. (1) Every person who manufactures matches shall allow an Inspector of Factories appointed under the Indian Factories Act, 1911, at any time to take for analysis sufficient samples of any material in use or mixed for use, in such manufacture :

Provided that any such person may, at the time the sample is taken, and on providing the necessary appliances, require the Inspector to divide the sample so taken into two parts, and to mark, seal and deliver to him one part.

(2) Any person who refuses to permit any such Inspector of Factories as aforesaid to take a sample, in accordance with the provisions of sub-section (1), shall be punishable with fine which may extend to two hundred rupees.

Prohibition  
of sale.

6. (1) No person shall sell, or offer or expose for sale, or have in his possession for the purposes of sale, any matches made with white phosphorus.

(2) Any person who contravenes the provisions of sub-section (1) may, on complaint to a Presidency Magistrate, Sub-divisional Magistrate or Magistrate of the first class, be ordered to forfeit any such matches in his possession, and any matches so forfeited shall be destroyed or otherwise dealt with as the Magistrate may direct.

#### ACT NO. VI OF 1913<sup>2</sup>

[7th March, 1913.]

**An Act to declare the rights of Mussalmans to make settlements of property by way of "wakf" in favour of their families, children and descendants.**

WHEREAS doubts have arisen regarding the validity of wakfs created by persons professing the Mussalman faith in favour of themselves, their families, children and descendants and ultimately for the benefit of the poor or for other religious, pious or charitable purposes ; and whereas it is expedient to remove such doubts ; It is hereby enacted as follows :—

Short title  
and extent.

1. (1) This Act may be called the Mussalman Wakf Validating Act, 1913.

Definitions.

(2) It extends to the whole of British India.

2. In this Act unless there is anything repugnant in the subject or context,

(1) "Wakf" means the permanent dedication by a person professing the Mussalman faith of any property for any purpose recognized by the Mussalman law as religious, pious or charitable.

(2) "Hanafi Mussalman" means a follower of the Mussalman faith who conforms to the tenets and doctrines of the Hanafi school of Mussalman law.

<sup>1</sup> *Sayra*, p. 178.

<sup>2</sup> For Statement of Objects and Reasons, see Gazette of India, 1911, Pt. V, p. 107 ; for Report of Select Committee, see *ibid.* 1913, Pt. V, p. 39 ; and for Proceedings in Council, see *ibid.* 1911, Pt. VI, p. 402, and *ibid.* 1913, Pt. VI, pp. 29, 65 and 147.

3. It shall be lawful for any person professing the Mussalman faith to create a wakf which in all other respects is in accordance with the provisions of Mussalman law, for the following among other purposes :—

Power of  
Mussalmans  
to create  
certain wakfs.

- (a) for the maintenance and support wholly or partially of his family, children or descendants, and
- (b) where the person creating a wakf is a Hanafi Mussalman, also for his own maintenance and support during his lifetime or for the payment of his debts out of the rents and profits of the property dedicated :

Provided that the ultimate benefit is in such cases expressly or impliedly reserved for the poor or for any other purpose recognised by the Mussalman law as a religious, pious or charitable purpose of a permanent character.

4. No such wakf shall be deemed to be invalid merely because the benefit reserved therein for the poor or other religious, pious or charitable purpose of a permanent nature is postponed until after the extinction of the family, children or descendants of the person creating the wakf.

Wakfs not to  
be invalid by  
reason of re-  
moteness of  
benefit to  
poor, etc.  
Saving of  
local and  
sectarian cus-  
tom.

5. Nothing in this Act shall affect any custom or usage whether local or prevalent among Mussalmans of any particular class or sect.

## THE INDIAN COMPANIES ACT, 1913.

(VII OF 1913.)

### CONTENTS.

#### PART I.

##### PRELIMINARY.

##### SECTIONS.

- 1. Short title, commencement and extent.
- 2. Definitions.
- 3. Jurisdiction of the Courts.

#### PART II.

##### CONSTITUTION AND INCORPORATION.

- 4. Prohibition of partnerships exceeding certain number.

##### *Memorandum of Association.*

- 5. Mode of forming incorporated company.
- 6. Memorandum of company limited by shares.

## SECTIONS.

7. Memorandum of company limited by guarantee.
8. Memorandum of unlimited company.
9. Signature of memorandum.
10. Restriction on alteration of memorandum.
11. Name of company and change of name.
12. Alteration of memorandum.
13. Power of Court when confirming alteration.
14. Exercise of discretion by Court.
15. Procedure on confirmation of the alteration.
16. Effect of failure to register within three months.

*Articles of Association.*

17. Registration of articles.
18. Application of Table A.
19. Form and signature of articles.
20. Alteration of articles by special resolution.

*General Provisions.*

21. Effect of memorandum and articles.
22. Registration of memorandum and articles.
23. Effect of registration.
24. Conclusiveness of certificate of incorporation.
25. Copies of memorandum and articles to be given to members.

*Associations not for Profit.*

26. Power to dispense with " Limited " in name of charitable and other companies.

*Companies limited by guarantee.*

27. Provision as to companies limited by guarantee.

---

**PART III.****SHARE CAPITAL, REGISTRATION OF UNLIMITED COMPANY AS LIMITED AND  
UNLIMITED LIABILITY OF DIRECTORS.***Distribution of Share Capital.*

28. Nature of shares.
29. Certificate of shares or stock.
30. Definition of " member."

## ECTIONS.

31. Register of members.
32. Annual list of members and summary.
33. Trusts not to be entered on register.
34. Registration of transfer at request of transferor.
35. Transfer by legal representative.
36. Inspection of register of members.
37. Power to close register.
38. Power of Court to rectify register.
39. Notice to registrar of rectification of register.
40. Register to be evidence.
41. Power for company to keep branch register in the United Kingdom.
42. Regulations as to British register.
43. Issue of share-warrants to bearer.
44. Effect of share-warrant.
45. Registration of name of bearer of share-warrant.
46. Position of bearer of share-warrant.
47. Entries in register when share-warrant issued.
48. Surrender of share-warrant.
49. Power of company to arrange for different amounts being paid on shares.
50. Power of company limited by shares to alter its share capital.
51. Notice to registrar of consolidation of share capital, conversion of shares into stock, etc.
52. Effect of conversion of shares into stock.
53. Notice of increase of share capital or of members.
54. Reorganization of share capital.

*Reduction of Share Capital.*

55. Reduction of share capital.
56. Application to Court for confirming order.
57. Addition to name of company of "and reduced."
58. Objections by creditors and settlement of list of objecting creditors.
59. Power to dispense with consent of creditor on security being given for his debt.
60. Order confirming reduction.
61. Registration of order and minute of reduction.
62. Minute to form part of memorandum.
63. Liability of members in respect of reduced shares.
64. Penalty on concealment of name of creditor.
65. Publication of reasons for reduction.
66. Increase and reduction of share capital in case of a company limited by guarantee having a share capital.

*Registration of Unlimited Company as Limited.*

## SECTIONS.

- 67. Registration of unlimited company as limited.
- 68. Power of limited company to provide for reserve share capital on registration.

*Reserve Liability of Limited Company.*

- 69. Reserve liability of limited company.

*Unlimited Liability of Directors.*

- 70. Limited company may have directors with unlimited liability.
- 71. Special resolution of limited company making liability of directors unlimited.

## PART IV.

## MANAGEMENT AND ADMINISTRATION.

*Office and Name.*

- 72. Registered office of company.
- 73. Publication of name by a limited company.
- 74. Penalties for non-publication of name.
- 75. Publication of authorised as well as subscribed and paid-up capital.

*Meetings and Proceedings.*

- 76. Annual general meeting.
- 77. Statutory meeting of company.
- 78. Calling of extraordinary general meeting on requisition.
- 79. Provisions as to meetings and votes.
- 80. Representation of companies at meetings of other companies of which they are members.
- 81. Extraordinary and special resolution.
- 82. Registration and copies of special and extraordinary resolutions.
- 83. Minutes of proceedings of meetings and directors.
- 84. Restrictions on appointment or advertisement of director.
- 85. Qualification of director.
- 86. Validity of acts of directors.
- 87. List of directors to be sent to registrar.

*Contracts.*

- 88. Form of contracts.
- 89. Bills of exchange and promissory notes.

## SECTIONS.

- 90. Execution of deeds abroad.
- 91. Power for company to have official seal for use abroad.

*Prospectus.*

- 92. Filing of prospectus.
- 93. Specific requirements as to particulars of prospectus.
- 94. Meaning of " vendor " in section 93.
- 95. Application of section 93 to the case of property taken on lease.
- 96. Invalidity of certain conditions as to waiver or notice.
- 97. Saving in certain cases of non-compliance with section 93.
- 98. Obligations of companies where no prospectus is issued.
- 99. Restriction on alteration of terms mentioned in prospectus or statement in lieu of prospectus.
- 100. Liability for statements in prospectus.

*Allotment.*

- 101. Restriction as to allotment.
- 102. Effect of irregular allotment.
- 103. Restrictions on commencement of business.
- 104. Return as to allotments.

*Commissions and Discounts.*

- 105. Power to pay certain commissions and prohibition of payment of all other commissions, discounts, etc.
- 106. Statement in balance-sheet as to commissions and discounts.

*Payment of interest out of Capital.*

- 107. Power of company to pay interest out of capital in certain cases.

*Certificates of Shares, etc.*

- 108. Limitation of time for issue of certificates.

*Information as to Mortgages, Charges, etc.*

- 109. Certain mortgages and charges to be void if not registered.
- 110. Particulars in case of series of debentures entitling holders *pari passu*.
- 111. Particulars in case of commission, etc., on debentures.
- 112. Register of mortgages and charges.
- 113. Index to register of mortgages and charges.
- 114. Certificate of registration.
- 115. Endorsement of certificate of registration on debenture or certificate of debenture stock.

**SECTIONS.**

116. Duty of company and right of interested party as regards registration.
117. Copy of instrument creating mortgage or charge to be kept at registered office.
118. Registration of appointment of receiver.
119. Filing of accounts of receivers.
120. Rectification of register of mortgages.
121. Entry of satisfaction.
122. Penalties.
123. Company's register of mortgages.
124. Right to inspect copies of instruments creating mortgages and charges and company's register of mortgages.
125. Right to inspect the register of debenture-holders and to have copies of trust-deed.

*Debentures and Floating Charges.*

126. Perpetual debentures.
127. Power to re-issue redeemed debentures in certain cases.
128. Specific performance of contract to subscribe for debentures.
129. Payments of certain debts out of assets subject to floating charge in priority to claims under the charge.

*Statements, Books and Accounts.*

130. Company to keep proper books of account.
131. Annual balance-sheet.
132. Contents of balance-sheet.
133. Authentication of balance-sheet.
134. Copy of balance-sheet and auditor's report to be forwarded to the registrar.
135. Right of member of company to copies of the balance-sheet and the auditor's report.

*Statement to be published by Banking and certain other Companies.*

136. Certain companies to publish statement in schedule.

*Investigation by the Registrar.*

137. Power of registrar to call for information or explanation.

*Inspection and Audit.*

138. Investigation of affairs of company by inspectors.
139. Application for inspection to be supported by evidence.
140. Inspection of books and examination of officers.

## SECTIONS.

- 141. Results of examination how dealt with.
- 142. Power of company to appoint inspectors.
- 143. Report of inspectors to be evidence.
- 144. Qualifications and appointment of auditors.\*
- 145. Powers and duties of auditors.
- 146. Rights of preference shareholders, etc., as to receipt and inspection of reports, etc.

*Carrying on business with less than the legal minimum of members.*

- 147. Liability for carrying on business with fewer than seven, or, in the case of a private company, two members.

*Service and Authentication of Documents.*

- 148. Service of documents on company.
- 149. Service of documents on registrar.
- 150. Authentication of documents.

*Tables, Forms and Rules as to prescribed matters.*

- 151. Application and alteration of tables and forms, and power to make rules as to prescribed matters.

*Arbitration and Compromise.*

- 152. Power for companies to refer matters to arbitration.
- 153. Power to compromise with creditors and members.

*Conversion of private company into public company.*

- 154. Conversion of private into public company.

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PART V.

## WINDING UP.

*Preliminary.*

- 155. Mode of winding up.

*Contributories.*

- 156. Liability as contributories of present and past members.
- 157. Liability of directors whose liability is unlimited.
- 158. Meaning of "contributory."



## SECTIONS.

- 159. Nature of liability of contributory.
- 160. Contributories in case of death of member.
- 161. Contributories in case of insolvency of member.

*Winding up by Court.*

- 162. Circumstances in which company may be wound up by Court.
- 163. Company when deemed unable to pay its debts.
- 164. Winding up may be referred to District Court.
- 165. Transfer of winding up from one District Court to another.
- 166. Provisions as to applications for winding up.
- 167. Effect of winding up order.
- 168. Commencement of winding up by Court.
- 169. Court may grant injunction.
- 170. Powers of Court on hearing petition.
- 171. Suits stayed on winding up order.
- 172. Copy of winding up order to be filed with registrar.
- 173. Power of Court to stay winding up.
- 174. Court may have regard to wishes of creditors or contributories.

*Official Liquidators.*

- 175. Appointment of official liquidator.
- 176. Resignations, removals, filling up vacancies and compensation.
- 177. Official liquidator.
- 178. Custody of company's property.
- 179. Powers of official liquidator.
- 180. Discretion of official liquidator.
- 181. Provision for legal assistance to official liquidator.
- 182. Official books to be kept by liquidator in winding up.
- 183. Exercise and control of liquidator's powers.

*Ordinary powers of Court.*

- 184. Settlement of list of contributories and application of assets.
- 185. Power to require delivery of property.
- 186. Power to order payment of debts by contributory.
- 187. Power of Court to make calls.
- 188. Power to order payment into bank.
- 189. Regulation of account with Court.
- 190. Order on contributory conclusive evidence.
- 191. Power to exclude creditors not proving in time.
- 192. Adjustment of rights of contributories.
- 193. Power to order costs.
- 194. Dissolution of company.

*Extraordinary Powers of Court.*

## SECTIONS.

- 195. Power to summon persons suspected of having property of company.
- 196. Power to order public examination of promoters, directors, etc.
- 197. Power to arrest absconding contributory.
- 198. Saving of other proceedings.

*Enforcement of and Appeal from Orders.*

- 199. Power to enforce orders.
- 200. Order made in any Court to be enforced by other Courts.
- 201. Mode of dealing with orders to be enforced by other Courts.
- 202. Appeals from orders.

*Voluntary winding up.*

- 203. Circumstances in which company may be wound up voluntarily.
- 204. Commencement of voluntary winding up.
- 205. Effect of voluntary winding up on status of company.
- 206. Notice of resolution to wind up voluntarily.
- 207. Consequences of voluntarily winding up.
- 208. Notice by liquidator of his appointment.
- 209. Rights of creditors in a voluntary winding up.
- 210. Power to fill vacancy in office of liquidator.
- 211. Delegation of authority to appoint liquidators.
- 212. Arrangement when binding on creditors.
- 213. Power for liquidators to accept shares, etc., as a consideration for sale of property of company.
- 214. Mode of determining price.
- 215. Power to apply to Court.
- 216. Power of liquidator to call general meeting.
- 217. Final meeting and dissolution.
- 218. Cost of voluntary liquidation.
- 219. Saving for rights of creditors and contributories.
- 220. Power of Court to adopt proceedings of voluntary winding up.

*Winding up subject to supervision of Court.*

- 221. Power to order winding up subject to supervision.
- 222. Effect of petition for winding up subject to supervision.
- 223. Court may have regard to wishes of creditors and contributories.
- 224. Power for Court to appoint or remove liquidators.
- 225. Effect of supervision order.
- 226. Appointment in certain cases of voluntary liquidators to office of official liquidator.

*Supplemental Provisions.*

## SECTIONS.

- 227. Avoidance of transfers, etc., after commencement of winding up.
- 228. Debts of all descriptions to be proved.
- 229. Application of insolvency rules in winding up of insolvent companies.
- 230. Preferential payments.
- 231. Fraudulent preference.
- 232. Avoidance of certain attachments, executions, etc.
- 233. Effect of floating charge.
- 234. General scheme of liquidation may be sanctioned.
- 235. Power of Court to assess damages against delinquent directors, etc.
- 236. Penalty for falsification of books.
- 237. Prosecution of delinquent directors, etc.
- 238. Penalty for false evidence.
- 239. Meetings to ascertain wishes of creditors or contributories.
- 240. Documents of company to be evidence.
- 241. Inspection of documents.
- 242. Disposal of documents of company.
- 243. Power of Court to declare dissolution of company void.
- 244. Information as to pending liquidations.
- 245. Court or person before whom affidavit may be sworn.

*Rules.*

- 246. Power of High Court to make rules.

*Removal of defunct Companies from Register.*

- 247. Registrar may strike defunct company off register.

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PART VI.

## REGISTRATION OFFICE AND FEES.

- 248. Registration offices.
- 249. Fees.

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PART VII.APPLICATION OF ACT TO COMPANIES FORMED AND REGISTERED UNDER  
FORMER COMPANIES ACTS.

- 250. Application of Act to companies formed under former Companies Acts.
- 251. Application of Act to companies registered but not formed under former Companies Acts.
- 252. Mode of transferring.

## PART VIII

COMPANIES<sup>2</sup> AUTHORISED TO REGISTER UNDER THIS ACT.

## SECTIONS.

- 253. Companies capable of being registered.
- 254. Definition of " joint-stock company."
- 255. Requirements for registration by joint-stock companies.
- 256. Requirements for registration by other than joint-stock companies.
- 257. Authentication of statement of existing companies.
- 258. Registrar may require evidence as to nature of company.
- 259. On registration of banking company with limited liability, notice to be given to customers.
- 260. Exemption of certain companies from payment of fees.
- 261. Addition of " Limited " to name.
- 262. Certificate of registration of existing companies.
- 263. Vesting of property on registration.
- 264. Saving of existing liabilities.
- 265. Continuation of existing suits.
- 266. Effect of registration under Act.
- 267. Power to substitute memorandum and articles for deed of settlement.
- 268. Power of Court to stay or restrain proceedings.
- 269. Suits stayed on winding up order.

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PART IX.

## WINDING UP OF UNREGISTERED COMPANIES.

- 270. Meaning of " unregistered company."
- 271. Winding up of unregistered companies.
- 272. Contributories in winding up of unregistered companies.
- 273. Power to stay or restrain proceedings.
- 274. Suits stayed on winding up order.
- 275. Directions as to property in certain cases.
- 276. Provisions of this Part cumulative.

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PART X.

## COMPANIES ESTABLISHED OUTSIDE BRITISH INDIA.

- 277. Requirements as to companies established outside British India.

## PART XI.

## SUPPLEMENTAL.

*Legal proceedings, offences, etc.*

## SECTIONS.

- 278. Cognizance of offences.
- 279. Applications of fines.
- 280. Power to require limited company to give security for costs.
- 281. Power of Court to grant relief in certain cases.
- 282. Penalty for false statement.
- 283. Penalty for improper use of word " Limited."
- 284. Saving of pending proceedings for winding up.
- 285. Saving of document.
- 286. Former registration offices, registers and registrars continued.
- 287. Savings for Indian Life Assurance Company's Act, 1912, and Provident Insurance Societies Act, 1912.
- 288. Construction of " registrar of joint-stock companies " in Act XXI of 1860.
- 289. Act not to apply to Banks of Bengal, Madras or Bombay.
- 290. Repeal of Acts and Savings.

## THE SCHEDULES.

THE FIRST SCHEDULE.

THE SECOND SCHEDULE.

THE THIRD SCHEDULE.

THE FOURTH SCHEDULE.

ACT No. VII OF 1913.<sup>1</sup>

[27th March, 1913.]

An Act to consolidate and amend the law relating to Trading Companies and other Associations.

WHEREAS it is expedient to consolidate and amend the law relating to Trading Companies and other associations ; It is hereby enacted as follows :—

## PART I.

## PRELIMINARY.

1. (1) This Act may be called the Indian Companies Act, 1913.

Short title,  
commence-  
ment and  
extent.

<sup>1</sup> For Statement of Objects and Reasons, see Gazette of India, 1912, Pt. V, p. 151; for Report of the Select Committee, see *ibid.*, 1913, Pt. V, p. 45, and for Proceedings in Council, see *ibid.*, 1912, Pt. VI, p. 586, and *ibid.*, 1913, Pt. VI, pp. 6, 106 and 300.

(2) It shall come into force on the first day of April 1914 ; and

(3) It extends to the whole of British India including British Baluchistan and the Santhal Parganas.

2. In this Act, unless there is anything repugnant in the subject or con- Definitions.  
text,—

(1) “ articles ” means the articles of association of a company as originally framed or as altered by special resolution, including, so far as they apply to the company, the regulations contained (as the case may be) in Table B in the Schedule annexed to Act No. XIX of 1857 or in Table A in the First Schedule annexed to the Indian Companies Act, 1882, or in Table A in the First Schedule annexed to this Act :

VI of 1882.

(2) “ company ” means a company formed and registered under this Act or an existing company :

(3) “ the Court ” means the Court having jurisdiction under this Act :

(4) “ debenture ” includes debenture stock :

(5) “ director ” includes any person occupying the position of a director by whatever name called :

(6) “ District Court ” means the principal Civil Court of original jurisdiction in a district, but does not include a High Court in the exercise of its ordinary original civil jurisdiction :

X of 1866.

(7) “ existing company ” means a company formed and registered under the Indian Companies Act, 1866, or under any Act or Acts repealed thereby, or under the Indian Companies Act, 1882 :

VI of 1882.

(8) “ Insurance company ” means a company that carries on the business  
• of insurance either solely or in common with any other business or businesses :

(9) “ manager ” includes any person occupying the position of a manager by whatever name called and whether under a contract of service or not :

(10) “ memorandum ” means the memorandum of association of a company as originally framed or as altered in pursuance of the provisions of this Act :

(11) “ officer ” includes any director, manager or secretary but, save in sections 235, 236, and 237, does not include an auditor.

(12) “ prescribed ” means, as respects the provisions of this Act relating to the winding up of companies, prescribed by rules made by the High Court, and, as respects the other provisions of this Act, prescribed by the Governor General in Council :

(13) “ private company ” means a company which

(i) by its articles—

(a) restricts the right to transfer its shares ; and

(b) limits the number of its members (exclusive of persons who are in the employ of the company) to fifty ; and

- (c) prohibits any invitation to the public to subscribe for any shares or debentures of the company : and
- (ii) continues to observe such restrictions, limitations and prohibitions ;

Provided that where two or more persons hold one or more shares in a company jointly they shall, for the purposes of this definition, be considered as a single member :

- (14) " prospectus " means any prospectus, notice, circular, advertisement or other invitation, offering to the public for subscription or purchase any shares or debentures of a company :
- (15) " the registrar " means a registrar or assistant registrar performing under this Act the duty of registration of companies : and
- (16) " share " means share in the share capital of the company, and includes stock except when a distinction between stock and shares is expressed or implied.

Jurisdiction  
of the  
Courts.

3. (1) The Court having jurisdiction under this Act shall be the High Court having jurisdiction in the place at which the registered office of the company is situate :

Provided that the Local Government may, by notification in the local official Gazette and subject to such restrictions and conditions as it thinks fit, empower any District Court to exercise all or any of the jurisdiction by this Act conferred upon the Court, and in that case such District Court shall, as regards the jurisdiction so conferred, be the Court in respect of all companies having their registered offices in the district.

(2) For the purposes of jurisdiction to wind up companies, the expression ' registered office ' means the place which has longest been the registered office of the company during the six months immediately preceding the presentation of the petition for winding up.

(3) Nothing in this section shall invalidate a proceeding by reason of its being taken in a wrong Court.

## PART II.

### CONSTITUTION AND INCORPORATION.

Prohibition  
of partner-  
ships exceed-  
ing certain  
number.

4. (1) No company, association or partnership consisting of more than ten persons shall be formed for the purpose of carrying on the business of banking unless it is registered as a company under this Act, or is formed in pursuance of an Act of Parliament or some other Act of the Governor General in Council, or of Royal Charter or Letters Patent.

(2) No company, association or partnership consisting of more than twenty persons shall be formed for the purpose of carrying on any other business that has for its object the acquisition of gain by the company, association or

tnership, or by the individual members thereof, unless it is registered as a company under this Act, or is formed in pursuance of an Act of Parliament or any other Act of the Governor General in Council or of Royal Charter or Letters Patent.

*Memorandum of Association.*

**5.** Any seven or more persons (or, where the company to be formed will be a private company, any two or more persons) associated for any lawful purpose may, by subscribing their names to a memorandum of association and otherwise complying with the requirements of this Act in respect of registration, form an incorporated company, with or without limited liability (that is to say), either—

- (i) a company having the liability of its members limited by the memorandum to the amount, if any, unpaid on the shares respectively held by them (in this Act termed a company limited by shares) ; or
- (ii) a company having the liability of its members limited by the memorandum to such amount as the members may respectively thereby undertake to contribute to the assets of the company in the event of its being wound up (in this Act termed a company limited by guarantee) ; or
- (iii) a company not having any limit on the liability of its members (in this Act termed an unlimited company).

**6.** In the case of a company limited by shares—

(1) the memorandum shall state—

- (i) the name of the company, with “ Limited ” as the last word in its name ;
- (ii) the province in which the registered office of the company is to be situate ;
- (iii) the objects of the company ;
- (iv) that the liability of the members is limited ;
- (v) the amount of share capital with which the company proposes to be registered, and the division thereof into shares of a fixed amount :

(2) no subscriber of the memorandum shall take less than one share ;

(3) each subscriber shall write opposite to his name the number of shares he takes.

**7.** In the case of a company limited by guarantee—

(1) the memorandum shall state—

- (i) the name of the company, with “ Limited ” as the last word in its name ;
- (ii) the province in which the registered office of the company is to be situate ;
- (iii) the objects of the company ;
- (iv) that the liability of the members is limited ;

Mode of  
forming in-  
corporated  
company.

Memorandum  
of company  
limited by  
shares.

Memorandum  
of company  
limited by  
guarantee.



(v) that each member undertakes to contribute to the assets of the company in the event of its being wound up while he is a member, or within one year afterwards, for payment of the debts and liabilities of the company contracted before he ceases to be a member, and of the costs, charges and expenses of winding up, and for adjustment of the rights of the contributories among themselves, such amount as may be required, not exceeding a specified amount :

(2) if the company has a share capital—

(i) the memorandum shall also state the amount of share capital with which the company proposes to be registered and the division thereof into shares of a fixed amount ;

(ii) no subscriber of the memorandum shall take less than one share ;

(iii) each subscriber shall write opposite to his name the number of shares he takes.

Memorandum  
of unlimited  
company.

8. In the case of an unlimited company—

(1) the memorandum shall state—

(i) the name of the company ;

(ii) the province in which the registered office of the company is to be situate ;

(iii) the objects of the company ;

(2) if the company has a share capital—

(i) no subscriber of the memorandum shall take less than one share ;

(ii) each subscriber shall write opposite to his name the number of shares he takes.

Signature of  
memoran-  
dum.

Restriction  
on alteration  
of memo-  
randum.

Name of  
company and  
change of  
name.

9. The memorandum shall be signed by each subscriber in the presence of at least one witness who shall attest the signature.

10. A company shall not alter the conditions contained in its memorandum except in the cases and in the mode and to the extent for which express provision is made in this Act.

11. (1) A company shall not be registered by a name identical with that by which a company in existence is already registered, or so nearly resembling that name as to be calculated to deceive, except where the company in existence is in the course of being dissolved and signifies its consent in such manner as the registrar requires.

(2) If a company, through inadvertence or otherwise, is, without such consent as aforesaid, registered by a name identical with that by which a company in existence is previously registered, or so nearly resembling it as to be calculated to deceive, the first-mentioned company may, with the sanction of the registrar, change its name.

(3) A company shall not be registered by a name which contains any of the following words, namely :—“ Crown,” “ Emperor,” “ Empire,” “ Em-

press," "Imperial," "King," "Queen," "Royal," or words expressing or implying the sanction, approval or patronage of the Crown or the Government of India or a Local Government, except where the Governor General in Council signifies his consent to the use of such words as part of the name of the company by order in writing under the hand of one of the Secretaries to the Government of India :

Provided that nothing in this sub-section shall apply to companies registered before the commencement of this Act.

(4) Any company may, by special resolution and subject to the approval of the Local Government signified in writing, under the hand of one of the Secretaries to such Government, change its name.

(5) Where a company changes its name, the registrar shall enter the new name on the register in place of the former name, and shall issue a certificate of incorporation altered to meet the circumstances of the case. On the issue of such a certificate, the change of name shall be complete.

(6) The change of name shall not affect any rights or obligations of the company, or render defective any legal proceedings by or against the company ; and any legal proceedings that might have been continued or commenced against it by its former name may be continued or commenced against it by its new name.

12. (1) Subject to the provisions of this Act, a company may, by special resolution, alter the provisions of its memorandum so as to change the place of the registered office from one province to another, or with respect to the objects of the company, so far as may be required to enable it—

- (a) to carry on its business more economically or more efficiently ; or
- (b) to attain its main purpose by new or improved means ; or
- (c) to enlarge or change the local area of its operations ; or
- (d) to carry on some business which under existing circumstances may conveniently or advantageously be combined with the business of the company ; or
- (e) to restrict or abandon any of the objects specified in the memorandum.

(2) The alteration shall not take effect until and except in so far as it is confirmed by the Court on petition.

(3) Before confirming the alteration, the Court must be satisfied—

- (a) that sufficient notice has been given to every holder of debentures of the company, and to any persons or class of persons whose interests will, in the opinion of the Court, be affected by the alteration ; and
- (b) that, with respect to every creditor who in the opinion of the Court is entitled to object, and who signifies his objection in manner directed by the Court, either his consent to the alteration has been obtained or his debt or claim has been discharged or has determined, or has been secured to the satisfaction of the Court :

Power of  
Court when  
confirming  
alteration.

Exercise of  
discretion  
by Court.

Provided that the Court may, in the case of any person or class, for special reasons, dispense with the notice required by this section.

**13.** The Court may make an order confirming the alteration either wholly or in part, and on such terms and conditions as it thinks fit, and may make such order as to costs as it thinks proper.

**14.** The Court shall, in exercising its discretion under sections 12 and 13, have regard to the rights and interests of the members of the company or of any class of them, as well as to the rights and interest of the creditors, and may, if it thinks fit, adjourn the proceedings in order that an arrangement may be made to the satisfaction of the Court for the purchase of the interests of dissentient members; and may give such directions and make such orders as it may think expedient for facilitating or carrying into effect any such arrangement :

Provided that no part of the capital of the company may be expended in any such purchase.

Procedure  
on confirma-  
tion of the  
alteration.

**15.** (1) A certified copy of the order confirming the alteration, together with a printed copy of the memorandum as altered, shall, within three months from the date of the order, be filed by the company with the registrar, and he shall register the same, and shall certify the registration under his hand, and the certificate shall be conclusive evidence that all the requirements of this Act with respect to the alteration and the confirmation thereof have been complied with, and thenceforth the memorandum so altered shall be the memorandum of the company.

(2) Where the alteration involves a transfer of the registered office from one province to another, a certified copy of the order confirming such change shall be filed by the company with the registrar in each of such provinces, and each of such registrars shall register the same, and shall certify under his hand the registration thereof, and the registrar for the province from which such office is transferred shall send to the registrar for the other province all documents relating to the company registered or filed in his office.

(3) The Court may by order at any time extend the time for the filing of documents with the registrar under this section for such period as the Court thinks proper.

Effect of  
failure to  
register  
within three  
months.

**16.** No such alteration shall have any operation until registration thereof has been duly effected in accordance with the provisions of section 15, and if such registration is not effected within three months next after the date of the order of the Court confirming the alteration, or within such further time as may be allowed by the Court in accordance with the provisions of section 15, such alteration and order and all proceedings connected therewith shall, at the expiration of such period of three months or such further time, as the case may be, become absolutely null and void :

Provided that the Court may, on sufficient cause shown, revive the order on application made within a further period of one month.

*Articles of Association.*

17. (1) There may, in the case of a company limited by shares, and there <sup>Registration of articles.</sup> shall, in the case of a company limited by guarantee or unlimited, be registered with the memorandum, articles of association, signed by the subscribers to the memorandum and prescribing regulations for the company.

(2) Articles of association may adopt all or any of the regulations contained in Table A in the First Schedule.

(3) In the case of an unlimited company or a company limited by guarantee, the articles, if the company has a share capital, shall state the amount of share capital with which the company proposes to be registered.

(4) In the case of an unlimited company or a company limited by guarantee, if the company has not a share capital, the articles shall state the number of members with which the company proposes to be registered, or the purpose of enabling the registrar to determine the fees payable on registration.

18. In the case of a company limited by shares and registered after the commencement of this Act, if articles are not registered, or, if articles are registered, in so far as the articles do not exclude or modify the regulations in Table A in the First Schedule, those regulations shall, so far as applicable, be the regulations of the company in the same manner and to the same extent as if they were contained in duly registered articles.

19. Articles shall—

- (a) be printed ;
- (b) be divided into paragraphs numbered consecutively ; and
- (c) be signed by each subscriber of the memorandum of association in the presence of at least one witness who must attest the signature.

Form and  
signature of  
articles.

20. (1) Subject to the provisions of this Act and to the conditions contained in its memorandum, a company may by special resolution alter or add to its articles ; and any alteration or addition so made shall be as valid as if originally contained in the articles, and be subject in like manner to alteration by special resolution.

Alteration  
of articles  
by special  
resolution.

(2) The power of altering articles under this section shall, in the case of any company formed and registered under Act No. XIX of 1857<sup>1</sup> and Act No. VII of 1860 or either of them, extend to altering any provisions in Table B annexed to Act XIX of 1857, and shall also, in the case of an unlimited company formed and registered under the said Acts or either of them, extend to altering any regulations relating to the amount of capital or its distribution into shares, notwithstanding that those regulations are contained in the memorandum.

<sup>1</sup> For Table B of Act 19 of 1857, see Genl. Acts, Vol. III.

*General Provisions.*

Effect of memorandum and articles.

**21.** (1) The memorandum and articles shall, when registered, bind the company and the members thereof to the same extent as if they respectively had been signed by each member and contained a covenant on the part of each member, his heirs, and legal representatives, to observe all the provisions of the memorandum and of the articles, subject to the provisions of this Act.

(2) All money payable by any member to the company under the memorandum or articles shall be a debt due from him to the company.

Registration of memorandum and articles.

**22.** The memorandum and the articles (if any) shall be filed with the registrar for the province in which the registered office of the company is stated by the memorandum to be situate, and he shall retain and register them.

Effect of registration.

**23.** (1) On the registration of the memorandum of a company, the registrar shall certify under his hand that the company is incorporated, and in the case of a limited company that the company is limited.

(2) From the date of incorporation mentioned in the certificate of incorporation, the subscribers of the memorandum, together with such other persons as may from time to time become members of the company, shall be a body corporate by the name contained in the memorandum, capable forthwith of exercising all the functions of an incorporated company, and having perpetual succession and a common seal, but with such liability on the part of the members to contribute to the assets of the company in the event of its being wound up as is mentioned in this Act.

Conclusiveness of certificate of incorporation.

**24.** (1) A certificate of incorporation given by the registrar in respect of any association shall be conclusive evidence that all the requirements of this Act in respect of registration and of matters precedent and incidental thereto have been complied with, and that the association is a company authorised to be registered and duly registered under this Act.

(2) A declaration by an advocate, attorney or pleader entitled to appear before a High Court who is engaged in the formation of a company, or by a person named in the articles as a director, manager or secretary of the company, of compliance with all or any of the said requirements shall be filed with the registrar, and the registrar may accept such a declaration as sufficient evidence of compliance.

Copies of memorandum and articles to be given to members.

**25.** (1) Every company shall send to every member, at his request, and on payment of one rupee or such less sum as the company may prescribe, a copy of the memorandum and of the articles (if any).

(2) If a company makes default in complying with the requirements of this section, it shall be liable for each offence to a fine not exceeding ten rupees.

*Associations not for Profit.*

Power to dispense with "Limited" in name

**26.** (1) Where it is proved to the satisfaction of the Local Government that an association capable of being formed as a limited company has been or is about to be formed for promoting commerce, art, science, charity, or

any other useful object, and applies or intends to apply its profits (if any) or other income in promoting its objects, and to prohibit the payment of any dividend to its members, the Local Government may, by license under the hand of one of its Secretaries, direct that the association be registered as a company with limited liability, without the addition of the word " Limited " to its name, and the association may be registered accordingly. of charitable and other companies.

(2) A license by the Local Government under this section may be granted on such conditions and subject to such regulations as the Local Government thinks fit, and those conditions and regulations shall be binding on the association, and shall, if the Local Government so directs, be inserted in the memorandum and articles, or in one of those documents.

(3) The association shall on registration enjoy all the privileges of limited companies, and be subject to all their obligations, except those of using the word " Limited " as any part of its name, and of publishing its name, and of filing lists of members and directors and managers with the registrar.

(4) A license under this section may at any time be revoked by the Local Government, and upon revocation the registrar shall enter the word " Limited " at the end of the names of the association upon the register, and the association shall cease to enjoy the exemptions and privileges granted by this section :

Provided that, before a license is so revoked, the Local Government shall give to the association notice in writing of its intention, and shall afford the association an opportunity of submitting a representation in opposition to the revocation.

#### *Companies limited by Guarantee.*

27. (1) In the case of a company limited by guarantee and not having a share capital, and registered after the commencement of this Act, every provision in the memorandum or articles or in any resolution of the company purporting to give any person a right to participate in the divisible profits of the company otherwise than as a member shall be void. Provision as to companies limited by guarantee.

(2) For the purpose of the provisions of this Act relating to the memorandum of a company limited by guarantee and of this section, every provision in the memorandum or articles, or in any resolution, of any company limited by guarantee and registered after the commencement of this Act, purporting to divide the undertaking of the company into shares or interests, shall be treated as a provision for a share capital, notwithstanding that the nominal amount or number of the shares or interests is not specified thereby.

### PART III.

#### SHARE CAPITAL, REGISTRATION OF UNLIMITED COMPANY AS LIMITED AND UNLIMITED LIABILITY OF DIRECTORS.

##### *Distribution of Share Capital.*

• 28. (1) The shares or other interest of any member in a company shall be moveable property, transferable in manner provided by the articles of the company. Nature of shares.

(2) Each share in a company having a share capital shall be distinguished by its appropriate number.

Certificate  
of shares  
or stock.

29. A certificate, under the common seal of the company, specifying any shares or stock held by any member, shall be *prima facie* evidence of the title of the member to the shares or stock therein specified.

Definition  
of "mem-  
ber."

30. (1) The subscribers of the memorandum of a company shall be deemed to have agreed to become members of the company, and on its registration shall be entered as members in its register of members.

(2) Every other person who agrees to become a member of a company and whose name is entered in its register of members, shall be a member of the company.

Register of  
members.

31. (1) Every company shall keep in one or more books a register of its members, and enter therein the following particulars :—

- (i) the names and addresses, and the occupations, if any, of the members and, in the case of a company having a share capital, a statement of the shares held by each member, distinguishing each share by its number, and of the amount paid or agreed to be considered as paid on the shares of each member ;
- (ii) the date at which each person was entered in the register as a member ;
- (iii) the date at which any person ceased to be a member.

(2) If a company makes default in complying with the requirements of this section, it shall be liable to a fine not exceeding fifty rupees for every day during which the default continues ; and every officer of the company who knowingly and wilfully authorises or permits the default shall be liable to the like penalty.

Annual list  
of mem-  
bers and  
summary.

32. (1) Every company having a share capital shall once at least in every year make a list of all persons who on the day of the first or only ordinary general meeting in the year, are members of the company, and of all persons who have ceased to be members since the date of the last return or (in the case of the first return) of the incorporation of the company.

(2) The list shall state the names, addresses, and occupations of all the past and present members therein mentioned, and the number of shares held by each of the existing members at the date of the return, specifying shares transferred since the date of the last return or (in the case of the first return) of the incorporation of the company by persons who are still members and persons who have ceased to be members respectively and the dates of registration of the transfers, and shall contain a summary distinguishing between shares issued for cash and shares issued as fully or partly paid up otherwise than in cash, and specifying the following particulars :—

- (a) the amount of the share capital of the company, and the number of the shares into which it is divided ;
- (b) the number of shares taken from the commencement of the company up to the date of the return ;

- (c) the amount called up on each share ;
- (d) the total amount of calls received ;
- (e) the total amount of calls unpaid ;
- (f) the total amount of the sums (if any) paid by way of commission in respect of any shares or debentures, or allowed by way of discount in respect of any debentures, since the date of the last return ;
- (g) the total number of shares forfeited ;
- (h) the total amount of shares or stock for which share-warrants are outstanding at the date of the return ;
- (i) the total amount of share-warrants issued and surrendered respectively since the date of the last return ;
- (k) the number of shares or amount of stock comprised in each share-warrant ;
- (l) the names and addresses of the persons who at the date of the return are the directors of the company and of the persons (if any) who at the said date are the managers of the company ; and
- (m) the total amount of debt due from the company in respect of all mortgages and charges which are required to be registered with the registrar under this Act.

(3) The above list and summary shall be contained in a separate part of the register of members and shall be completed within seven days after the day of the first or only ordinary general meeting in the year, and the company shall forthwith file with the registrar a copy signed by a director or by the manager or the secretary of the company, together with a certificate from such director, manager or secretary that the list and summary state the facts as they stood on the day aforesaid.

(4) If a company makes default in complying with the requirements of this section, it shall be liable to a fine not exceeding fifty rupees for every day during which the default continues, and every officer of the company who knowingly and wilfully authorises or permits the default shall be liable to the like penalty.

**33.** No notice of any trust, expressed, implied or constructive, shall be entered on the register, or be receivable by the registrar.

Trusts not to be entered on register.

**34.** On the application of the transferor of any share or interest in a company, the company shall enter in its register of members the name of the transferee in the same manner and subject to the same conditions as if the application for the entry were made by the transferee.

Registration of transfer at request of transferor.

**35.** A transfer of the share or other interest of a deceased member of a company made by his legal representative shall, although the legal representative is not himself a member, be as valid as if he had been a member at the time of the execution of the instrument of transfer.

Transfer by legal representative.

**36.** (1) The register of members, commencing from the date of the registration of the company, shall be kept at the registered office of the company,

Inspection of register of members.



and, except when closed under the provisions of this Act, shall during business hours (subject to such reasonable restrictions, as the company in general meeting may impose, so that not less than two hours in each day be allowed for inspection) be open to the inspection of any member gratis, and to the inspection of any other person on payment of one rupee, or such less sum as the company may prescribe, for each inspection.

(2) Any member or other person may require a copy of the register, or of any part thereof, or of the list and summary required by this Act, or any part thereof, on payment of six annas for every hundred words or fractional part thereof required to be copied.

(3) If any inspection or copy required under this section is refused, the company shall be liable for each refusal to a fine not exceeding twenty rupees and to a further fine not exceeding twenty rupees for every day during which the refusal continues, and every officer of the company who knowingly authorises or permits the refusal shall be liable to the like penalty, and the Court may by order compel an immediate inspection of the register.

Power to  
close register.

**37.** A company may, on giving notice by advertisement in some newspaper circulating in the district in which the registered office of the company is situate, close the register of members for any time or times not exceeding in the whole thirty days in each year.

Power of  
Court to  
rectify re-  
gister.

**38.** (1) If—

(a) the name of any person is fraudulently or without sufficient cause entered in or omitted from the register of members of a company ;  
or

(b) default is made or unnecessary delay takes place in entering on the register the fact of any person having ceased to be a member,

the person aggrieved, or any member of the company, or the company, may apply to the Court for rectification of the register.

(2) The Court may either refuse the application, or may order rectification of the register and payment by the company of any damages sustained by any party aggrieved, and may make such order as to costs as it in its discretion thinks fit.

(3) On any application under this section the Court may decide any question relating to the title of any person who is a party to the application to have his name entered in or omitted from the register, whether the question arises between members or alleged members, or between members or alleged members on the one hand and the company on the other hand ; and generally may decide any question necessary or expedient to be decided for rectification of the register :

Provided that the Court may direct an issue to be tried in which any question of law may be raised ; and an appeal from the decision on such an issue shall lie in the manner directed by the Code of Civil Procedure, 1908, V of 1908, on the grounds mentioned in section 100 of that Code.

39. In the case of a company required by this Act to file a list of its members with the registrar, the Court, when making an order for rectification of the register, shall, by its order, direct notice of the rectification to be filed with the registrar. Notice to registrar of rectification of register.

40. The register of members shall be *prima facie* evidence of any matters by this Act directed or authorised to be inserted therein. Register to be evidence.

41. (1) A company having a share capital may, if so authorised by its articles, cause to be kept in the United Kingdom a branch register of members (in this Act called a British register). Power for company to keep branch register in the United Kingdom.

(2) The company shall, within one month from the date of the opening of any British register, file with the registrar notice of the situation of the office where such register is kept and, in the event of any change in the situation of such office or of its discontinuance, shall within one month from the date of such change or discontinuance, as the case may be, file notice of such change or discontinuance.

(3) If a company makes default in complying with the requirements of this section, it shall be liable to a fine not exceeding fifty rupees for every day during which the default continues.

42. (1) A British register shall be deemed to be part of the company's register of members (in this section called the principal register). Regulations as to British register.

(2) It shall be kept in the same manner in which the principal register is by this Act required to be kept, except that the advertisement before closing the register shall be inserted in some newspaper circulating in the locality wherein the British register is kept.

(3) The company shall transmit to its registered office in India a copy of every entry in its British register as soon as may be after the entry is made; and shall cause to be kept at such office, duly entered up from time to time, a duplicate of its British register, and the duplicate shall, for all the purposes of this Act, be deemed to be part of the principal register.

(4) Subject to the provisions of this section with respect to the duplicate register, the shares registered in a British register shall be distinguished from the shares registered in the principal register, and no transaction with respect to any shares registered in a British register shall, during the continuance of that registration, be registered in any other register.

(5) The company may discontinue to keep any British register, and thereupon all entries in that register shall be transferred to the principal register.

(6) Subject to the provisions of this Act, any company may, by its articles, make such regulations as it may think fit respecting the keeping of a British register.

43. A company limited by shares, if so authorised by its articles may, with respect to any fully paid-up shares, or to stock, issue under its common seal a warrant stating that the bearer of the warrant is entitled to the shares or stock therein specified, and may provide by coupons or otherwise, for the Issue of share-warrants to bearer.

payment of the future dividends on the shares or stock included in the warrant, in this Act termed a share-warrant.

Effect of  
share-war-  
rant.

**44.** A share-warrant shall entitle the bearer thereof to the shares or stock therein specified, and the shares or stock may be transferred by delivery of the warrant.

Registration  
of name of  
bearer of  
share-war-  
rant.

**45.** The bearer of a share-warrant shall, subject to the articles of the company, be entitled, on surrendering it for cancellation to have his name entered as a member in the register of members ; and the company shall be responsible for any loss incurred by any person by reason of the company entering in its register the name of a bearer of a share-warrant in respect of the shares or stock therein specified without the warrant being surrendered and cancelled.

Position of  
bearer of  
share-war-  
rant.

**46.** The bearer of a share-warrant may, if the articles of the company so provide, be deemed to be a member of the company within the meaning of this Act, either to the full extent or for any purposes defined in the articles, except that he shall not be qualified in respect of the shares or stock specified in the warrant for being a director or manager of the company, in cases where such a qualification is required by the articles.

Entries in  
register  
when share-  
warrant  
issued.

**47.** (1) On the issue of a share-warrant, the company shall strike out of its register of members the name of the member then entered therein as holding the shares or stock specified in the warrant as if he had ceased to be a member, and shall enter in the register the following particulars, namely :—

- (i) the fact of the issue of the warrant ;
- (ii) a statement of the shares or stock included in the warrant, distinguishing each share by its number ; and
- (iii) the date of the issue of the warrant.

(2) If a company makes default in complying with the requirements of this section it shall be liable to a fine not exceeding fifty rupees for every day during which the default continues, and every officer of the company who knowingly and wilfully continues or permits the default shall be liable to the like penalty.

Surrender of  
share-war-  
rant.

**48.** Until the warrant is surrendered, the above particulars shall be deemed to be the particulars required by this Act to be entered in the register of members ; and, on the surrender, the date of the surrender shall be entered as if it were the date at which a person ceased to be a member.

Power of  
company to  
arrange for  
different  
amounts  
being paid  
on shares.

**49.** A company, if so authorised by its articles, may do any one or more of the following things, namely :—

- (1) make arrangements on the issue of shares for a difference between the shareholders in the amounts and times of payment of calls on their shares ;
- (2) accept from any member who assents thereto the whole or a part of the amount remaining unpaid on any shares held by him although no part of that amount has been called up ;

- (3) pay dividend in proportion to the amount paid up on each share where a larger amount is paid up on some shares than on others.

**50.** (1) A company limited by shares, if so authorised by its articles, may alter the conditions of its memorandum as follows, (that is to say), it may—

- (a) increase its share capital by the issue of new shares of such amount as it thinks expedient ;
- (b) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares ;
- (c) convert all or any of its paid-up shares into stock and re-convert that stock into paid-up shares of any denomination ;
- (d) sub-divide its shares, or any of them, into shares of smaller amount than is fixed by the memorandum, so however, that in the sub-division the proportion between the amount paid and the amount, if any, unpaid on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived ;
- (e) cancel shares which, at the date of the passing of the resolution in that behalf, have not been taken or agreed to be taken by any person, and diminish the amount of its share capital by the amount of the shares so cancelled.

(2) The powers conferred by this section with respect to sub-division of shares must be exercised by special resolution.

(3) Where any alteration has been made under this section in the memorandum of a company, every copy of the memorandum issued after the date of the alteration shall be in accordance with the alteration.

(4) If a company makes default in complying with the requirements of sub-section (3), it shall be liable to a fine not exceeding ten rupees for each copy in respect of which default is made ; and every officer of the company who knowingly and wilfully authorises or permits the default shall be liable to the like penalty.

(5) A cancellation of shares in pursuance of this section shall not be deemed to be a reduction of share capital within the meaning of this Act.

**51.** (1) Where a company having a share capital has consolidated and divided its share capital into shares of larger amount than its existing shares or converted any of its shares into stock, or re-converted stock into shares, it shall within fifteen days of the consolidation and division, conversion or re-conversion, file notice with the registrar of the same, specifying the share consolidated and divided, or converted, or the stock re-converted.

(2) If a company makes default in complying with the requirements of this section, it shall be liable to a fine not exceeding fifty rupees for every day during which the default continues, and every officer of the company who knowingly and wilfully authorises or permits the default shall be liable to the like penalty.

Power of  
company  
limited by  
shares to  
alter its  
share capital.

Notice to  
registrar of  
consolidation  
of share  
capital,  
conversion of  
shares into  
stock, etc.

Effect of  
conversion of  
shares into  
stock. \*

**52.** Where a company having a share capital has converted any of its shares into stock, and filed notice of the conversion with the registrar, all the provisions of this Act which are applicable to shares only shall cease as to so much of the share capital as is converted into stock; and the register of members of the company, and the list of members to be filed with the registrar, shall show the amount of stock held by each member instead of the amount of shares and the particulars relating to shares hereinbefore required by this Act.

Notice of  
increase of  
share capital  
or of mem-  
bers.

**53.** (1) Where a company having a share capital, whether its shares have or have not been converted into stock, has increased its share capital beyond the registered capital, and where a company not having a share capital has increased the number of its members beyond the registered number, it shall file with the registrar, in the case of an increase of share capital, within fifteen days after the passing, or in the case of a special resolution the confirmation, of the resolution authorising the increase, and in the case of an increase of members within fifteen days after the increase was resolved on or took place, notice of the increase of capital or members, and the registrar shall record the increase.

(2) If a company makes a default in complying with the requirements of this section, it shall be liable to a fine not exceeding fifty rupees for every day during which the default continues, and every officer of the company who knowingly and wilfully authorises or permits the default shall be liable to the like penalty.

Reorganiza-  
tion of share  
capital.

**54.** (1) A company limited by shares may, by special resolution confirmed by an order of the Court, modify the conditions contained in its memorandum so as to reorganize its share capital, whether by the consolidation of shares of different classes or by the division of its shares into shares of different classes:

Provided that no preference or special privilege attached to or belonging to any class of shares shall be interfered with except by resolution passed by a majority in number of shareholders of that class holding three-fourths of the share capital of that class and confirmed at a meeting of shareholders of that class in the same manner as a special resolution of the company is required to be confirmed, and every resolution so passed shall bind all shareholders of the class.

(2) Where an order is made under this section, a certified copy thereof shall be filed with the registrar within twenty-one days after the making of the order, or within such further time as the Court may allow, and the resolution shall not take effect until such a copy has been so filed.

#### *Reduction of Share Capital.*

Reduction  
of share  
capital.

**55.** (1) No company limited by shares shall have power to buy its own shares unless the consequent reduction of capital is effected and sanctioned in manner hereinafter provided.

(2) Subject to confirmation by the Court, a company limited by shares, if so authorised by its articles, may by special resolution reduce its share capital:

in any way, and in particular (without prejudice to the generality of the foregoing power) may—

- (a) extinguish or reduce the liability on any of its shares in respect of share capital not paid up; or
- (b) either with or without extinguishing or reducing liability on any of its shares, cancel any paid-up share capital which is lost or unrepresented by available assets; or
- (c) either with or without extinguishing or reducing liability on any of its shares, pay off any paid-up share capital which is in excess of the wants of the company,

and may, if and so far as is necessary, alter its memorandum by reducing the amount of its share capital and of its shares accordingly.

(3) A special resolution under this section is in this Act called a resolution for reducing share capital.

**56.** Where a company has passed and confirmed a resolution for reducing share capital, it may apply by petition to the Court for an order confirming the reduction. Application to Court for confirming order.

**57.** On and from the confirmation by a company of a resolution for reducing share capital, or where the reduction does not involve either the diminution of any liability in respect of unpaid share capital or the payment to any shareholder of any paid-up share capital, then on and from the presentation of the petition for confirming the reduction, the company shall add to its name, until such date as the Court may fix, the words "and reduced" as the last words in its name, and those words shall, until that date, be deemed to be part of the name of the company: Addition to name of company of "and reduced."

Provided that, where the reduction does not involve either the diminution of any liability in respect of unpaid share capital or the payment to any shareholder of any paid-up share capital the Court may, if it thinks expedient, dispense altogether with the addition of the words "and reduced."

**58.** (1) Where the proposed reduction of share capital involves either diminution of liability in respect of unpaid share capital, or the payment to any shareholder of any paid-up share capital, and in any other case if the Court so directs, every creditor of the company who at the date fixed by the Court is entitled to any debt or claim which, if that date were the commencement of the winding up of the company, would be admissible in proof against the company, shall be entitled to object to the reduction. Objections by creditors and settlement of list of objecting creditors.

(2) The Court shall settle a list of creditors so entitled to object, and for that purpose shall ascertain, as far as possible without requiring an application from any creditor, the names of those creditors and the nature and amount of their debts or claims, and may publish notices fixing a day or days within which creditors not entered on the list are to claim to be so entered or are to be excluded from the right of objecting to the reduction.

**59.** Where a creditor entered on the list of creditors whose debt or claim is not discharged or determined does not consent to the reduction, the Court Power to dispense with

consent of  
creditor on  
security  
being given  
for his debt.

may, if it thinks fit, dispense with the consent of that creditor, on the company securing payment of his debt or claim by appropriating, as the Court may direct, the following amount (that is to say),—

(i) if the company admits the full amount of his debt or claim, or, though not admitting it, is willing to provide for it, then the full amount of the debt or claim;

(ii) if the company does not admit or is not willing to provide for the full amount of the debt or claim, or if the amount is contingent or not ascertained then an amount fixed by the Court after the like inquiry and adjudication as if the company were being wound up by the Court.

Order con-  
firming re-  
duction.

**60.** The Court if satisfied, with respect to every creditor of the company who under this Act is entitled to object to the reduction, that either his consent to the reduction has been obtained or his debt or claim has been discharged or has determined or has been secured, may make an order confirming the reduction on such terms and conditions as it thinks fit.

Registration  
of order  
and minute  
of reduction

**61.** (1) The registrar on production to him of an order of the Court confirming the reduction of the share capital of a company, and on the filing with him of a certified copy of the order and of a minute (approved by the Court) showing with respect to the share capital of the company as altered by the order, the amount of the share capital, the number of shares into which it is to be divided and the amount of each share, and the amount (if any) at the date of the registration deemed to be paid up on each share, shall register the order and minute.

(2) On the registration, and not before, the resolution for reducing share capital as confirmed by the order so registered shall take effect.

(3) Notice of the registration shall be published in such manner as the Court may direct.

(4) The registrar shall certify under his hand the registration of the order and minute, and his certificate shall be conclusive evidence that all the requirements of this Act with respect to reduction of share capital have been complied with, and that the share capital of the company is such as is stated in the minute.

Minute to  
form part  
of memo-  
randum.

**62.** (1) The minute when registered shall be deemed to be substituted for the corresponding part of the memorandum of the company, and shall be valid and alterable as if it had been originally contained therein, and shall be embodied in every copy of the memorandum issued after its registration.

(2) If a company makes default in complying with the requirements of this section, it shall be liable to a fine not exceeding ten rupees for each copy in respect of which default is made, and every officer of the company who knowingly and wilfully authorises or permits the default shall be liable to the like penalty.

Liability of  
members in  
respect of

**63.** (1) A member of the company, past or present, shall not be liable in respect of any share to any call or contribution exceeding in amount the

difference (if any) between the amount paid (or as the case may be) the reduced amount, if any, which is to be deemed to have been paid, on the share <sup>shares.</sup> and the amount of the share as fixed by the minute :

Provided that, if any creditor, entitled in respect of any debt or claim to object to the reduction of share capital, is, by reason of his ignorance of the proceedings for reduction, or of their nature and effect with respect to his claim not entered on the list of creditors, and, after the reduction, the company is unable, within the meaning of the provisions of this Act with respect to winding up by the Court, to pay the amount of his debt or claim, then—

- (i) every person who was a member of the company at the date of the registration of the order for reduction and minute, shall be liable to contribute for the payment of that debt, or claim an amount not exceeding the amount which he would have been liable to contribute if the company had commenced to be wound up on the day before that registration ; and
- (ii) if the company is wound up the Court, on the application of any such creditor and proof of his ignorance as aforesaid, may, if it thinks fit, settle accordingly a list of persons so liable to contribute, and make and enforce calls and orders on the contributories settled on the list as if they were ordinary contributories in a winding up.

(2) Nothing in this section shall affect the rights of the contributories among themselves.

**64.** If any officer of the company wilfully conceals the name of any creditor entitled to object to the reduction, or wilfully misrepresents the nature or amount of the debt or claim of any creditor, or if any officer of the company abets any such concealment or misrepresentation as aforesaid, every such officer shall be punishable with imprisonment which may extend to one year, or with fine, or with both. Penalty on concealment of name of creditor.

**65.** In any case of reduction of share capital, the Court may require the company to publish as the Court directs the reasons for reduction, or such other information in regard thereto as the Court may think expedient with a view to give proper information to the public, and, if the Court thinks fit, the causes which led to the reduction. Publication of reasons for reduction.

**66.** A company limited by guarantee and registered after the commencement of this Act may, if it has a share capital and is so authorised by its articles, increase or reduce its share capital in the same manner and subject to the same conditions in and subject to which a company limited by shares may increase or reduce its share capital under the provisions of this Act. Increase and reduction of share capital in case of a company limited by guarantee having a share capital.

#### *Registration of Unlimited Company as Limited.*

**67.** (1) Subject to the provisions of this section, any company registered as unlimited may register under this Act as limited or any company already registered as a limited company may re-register under this Act, but the registra- Registration of unlimited company as limited.



tion of an unlimited company as a limited company shall not affect any debts, liabilities, obligations or contracts incurred or entered into by, to, with or on behalf of, the company before the registration, and those debts, liabilities, obligations and contracts may be enforced in manner provided by Part VIII of this Act in the case of a company registered in pursuance of that Part.

(2) On registration in pursuance of this section, the registrar shall close the former registration of the company, and may dispense with the delivery to him of copies of any documents with copies of which he was furnished on the occasion of the original registration of the company; but, save as aforesaid, the registration shall take place in the same manner and shall have effect as if it were the first registration of the company under this Act.

Power of limited company to provide for reserve share capital on registration.

**68.** An unlimited company having a share capital may, by its resolution for registration as a limited company in pursuance of this Act, do either or both of the following things, namely :—

- (a) increase the nominal amount of its share capital by increasing the nominal amount of each of its shares, but subject to the condition that no part of the amount by which its capital is so increased shall be capable of being called up except in the event and for the purposes of the company being wound up ;
- (b) provide that a specified portion of its uncalled share capital shall not be capable of being called up except in the event and for the purposes of the company being wound up.

#### *Reserve Liability of Limited Company.*

Reserve liability of limited company.

**69.** A limited company may by special resolution determine that any portion of its share capital which has not been already called up shall not be capable of being called up, except in the event and for the purposes of the company being wound up, and thereupon that portion of its share capital shall not be capable of being called up except in the event and for the purposes aforesaid.

#### *Unlimited Liability of Directors.*

Limited company may have directors with unlimited liability.

**70. (1)** In a limited company the liability of the directors or of any director, may, if so provided by the memorandum, be unlimited.

(2) In a limited company in which the liability of any director is unlimited, the directors of the company (if any) and the member who proposes a person for election or appointment to the office of director shall add to that proposal a statement that the liability of the person holding that office will be unlimited and the promoters and officers of the company, or one of them, shall before the person accepts the office or acts therein, give him notice in writing that his liability will be unlimited.

(3) If any director or proposer makes default in adding such a statement, or if any promoter or officer of the company makes default in giving such a notice, he shall be liable to a fine not exceeding one thousand rupees and shall

also be liable for any damage which the person so elected or appointed may sustain from the default, but the liability of the person elected or appointed shall not be affected by the default.

71. (1) A limited company, if so authorised by its articles, may, by special resolution, alter its memorandum so as to render unlimited the liability of its directors or of any director. Special resolution of limited company making liability of directors unlimited.

(2) Upon the confirmation of any such special resolution, the provisions thereof shall be as valid as if they had been originally contained in the memorandum, and a copy thereof shall be embodied in or annexed to every copy of the memorandum issued after the confirmation of the resolution.

(3) If a company makes default in complying with the requirements of this section, it shall be liable to a fine not exceeding ten rupees for each copy in respect of which default is made ; and every officer of the company, who knowingly and wilfully authorises or permits the default, shall be liable to the like penalty.

## PART IV.

### MANAGEMENT AND ADMINISTRATION.

#### *Office and Name.*

72. (1) Every company shall have a registered office to which all communications and notices may be addressed. Registered office of company.

(2) Notice in writing of the situation of the registered office, and of any change therein, shall be filed with the registrar who shall record the same.

(3) If a company carries on business without complying with the requirements of this section, it shall be liable to a fine not exceeding fifty rupees for every day during which it so carries on business.

73. Every limited company—

(a) shall paint or affix, and keep painted or affixed, its name on the outside of every office or place in which its business is carried on, in a conspicuous position, in letters easily legible and in English characters, and also, if the registered office be situate in a place beyond the local limits of the ordinary original civil jurisdiction of a High Court, in the characters of one of the vernacular languages used in that place ; Publication of name by a limited company.

(b) shall have its name engraven in legible characters on its seal ;

(c) shall have its name mentioned in legible English characters in all bill-heads and letter paper and in all notices, advertisements and other official publications of the company, and in all bills of exchange, hundis, promissory notes, endorsements, cheques and orders for money or goods purporting to be signed by or on behalf of the company, and in all bills of parcels, invoices, receipts and letters of credit of the company.

Penalties for  
non-publica-  
tion of name.

**74.** (1) If a limited company does not paint or affix, and keep painted or affixed, its name in manner directed by this Act, it shall be liable to a fine not exceeding fifty rupees for not so painting or affixing its name, and for every day during which its name is not so kept painted or affixed, and every officer of the company, who knowingly and wilfully authorises or permits the default, shall be liable to the like penalty.

(2) If any officer of a limited company, or any person on its behalf, uses or authorises the use of any seal purporting to be a seal of the company whereon its name is not so engraven as aforesaid, or issues or authorises the issue of any bill-head, letter paper, notice, advertisement or other official publication of the company, or signs or authorises to be signed on behalf of the company any bill of exchange, hundi, promissory note, endorsement, cheque or order for money or goods, or issues or authorises to be issued any bill of parcels, invoice, receipt or letter of credit of the company, wherein its name is not mentioned in manner aforesaid, he shall be liable to a fine not exceeding five hundred rupees, and shall further be personally liable to the holder of any such bill of exchange, hundi, promissory note, cheque or order for money or goods, for the amount thereof, unless the same is duly paid by the company.

Publication  
of authorised  
as well as  
subscribed  
and paid-up  
capital.

**75.** (1) Where any notice, advertisement or other official publication of a company contains a statement of the amount of the authorised capital of the company, such notice, advertisement or other official publication shall also contain a statement in an equally prominent position and in equally conspicuous characters of the amount of the capital which has been subscribed and the amount paid up.

(2) Any company which makes default in complying with the requirements of this section and every officer of the company who is knowingly a party to the default shall be liable to a fine not exceeding one thousand rupees.

#### *Meetings and Proceedings.*

Annual  
general meet-  
ing.

**76.** (1) A general meeting of every company shall be held once at the least in every year, and not more than fifteen months after the holding of the last preceding general meeting, and, if not so held, the company and every officer of the company, who is knowingly a party to the default, shall be liable to a fine not exceeding five hundred rupees.

(2) When default has been made in holding a meeting of the company in accordance with the provisions of this section, the Court may, on the application of any member of the company, call or direct the calling of a general meeting of the company.

Statutory  
meeting of  
company.

**77.** (1) Every company limited by shares and registered after the commencement of this Act shall, within a period of six months, from the date at which the company is entitled to commence business, hold a general meeting of the members of the company which shall be called the statutory meeting.

(2) The directors shall, at least ten days before the day on which the meeting is held, forward a report (in this Act called "the statutory report") to-

every member of the company and to every other person entitled under this Act to receive it.

(3) The statutory report shall be certified by not less than two directors of the company or, where there are less than two directors, by the sole director and shall state—

- (a) the total number of shares allotted, distinguishing shares allotted as fully or partly paid up otherwise than in cash, and stating in the case of shares partly paid up the extent to which they are so paid up, and in either case the consideration for which they have been allotted ;
- (b) the total amount of cash received by the company in respect of all the shares allotted distinguished as aforesaid ;
- (c) an abstract of the receipts of the company whether from its share capital or from debentures, and of the payments made thereout, up to a date within seven days of the date of the report, exhibiting under distinctive headings the receipts of the company from shares and debentures and other sources, the payments made thereout and particulars concerning the balance remaining in hand and an account or estimate of the preliminary expenses of the company ;
- (d) the names, addresses and descriptions of the directors, auditors (if any), managers (if any) and secretary of the company ;
- (e) the particulars of any contract, the modification of which is to be submitted to the meeting for its approval, together with the particulars of the modification or proposed modification.

(4) The statutory report shall, so far as it relates to the shares allotted by the company and to the cash received in respect of such shares and to the receipts and payments of the company on capital account, be certified as correct by the auditors (if any) of the company.

(5) The directors shall cause a copy of the statutory report, certified as by this section required, to be filed with the registrar forthwith after the sending thereof to the members of the company.

(6) Every director of the company who knowingly and wilfully authorises or permits a default in complying with the provisions of sub-section (2) or sub-section (5) shall be liable to a fine not exceeding twenty rupees for every day during which the default continues.

(7) The directors shall cause a list showing the names, descriptions and addresses of the members of the company, and the number of shares held by them respectively, to be produced at the commencement of the meeting, and to remain open and accessible to any member of the company during the continuance of the meeting.

(8) The members of the company present at the meeting shall be at liberty to discuss any matters relating to the formation of the company, or arising out of the statutory report, whether previous notice has been given or not

but no resolution of which notice has not been given in accordance with the articles may be passed.

(9) The meeting may adjourn from time to time, and at any adjourned meeting any resolution of which notice has been given in accordance with the articles, either before or subsequently to the former meeting, may be passed, and the adjourned meeting shall have the same powers as an original meeting.

(10) If a petition is presented to the Court in manner provided by Part V for winding up the company on the ground of default in filing the statutory report or in holding the statutory meeting the Court may, instead of directing that the company be wound up, give directions for the statutory report to be filed or a meeting to be held, or make such other order as may be just.

(11) The provisions of this section as to the forwarding and filing of the statutory report shall not apply in the case of a private company.

Calling of  
extraordi-  
nary general  
meeting on  
requisition.

**78.** (1) Notwithstanding anything in the articles, the directors of a company which has a share capital shall, on the requisition of the holders of not less than one-tenth of the issued share capital of the company upon which all calls or other sums then due have been paid, forthwith proceed to call an extraordinary general meeting of the company.

(2) The requisition must state the objects of the meeting, and must be signed by the requisitionists and deposited at the registered office of the company, and may consist of several documents in like form, each signed by one or more requisitionists.

(3) If the directors do not proceed within twenty-one days from the date of the requisition being so deposited to cause a meeting to be called, the requisitionists, or a majority of them in value, may themselves call the meeting, but in either case any meeting so called shall be held within three months from the date of the deposit of the requisition.

(4) If at any such meeting a resolution requiring confirmation at another meeting is passed the directors shall forthwith call a further extraordinary general meeting for the purpose of considering the resolution and, if thought fit, of confirming it as a special resolution and, if the directors do not call the meeting within seven days from the date of the passing of the first resolution, the requisitionists, or a majority of them in value, may themselves call the meeting.

(5) Any meeting called under this section by the requisitionists shall be called in the same manner, as nearly as possible, as that in which meetings are to be called by directors.

Provisions as  
to meetings  
and votes.

**79.** In default of, and subject to, any regulations in the articles,—

- (i) a meeting of a company may be called by fourteen days' notice in writing, served on every member in manner in which notices are required to be served by Table A in the First Schedule ;
- (ii) five members may call a meeting ;

(iii) any person elected by the members present at a meeting may be chairman thereof; and

(iv) every member shall have one vote.

80. A company which is a member of another company may, by resolution of the directors, authorise any of its officials or any other person to act as its representative at any meeting of that other company, and the person so authorised shall be entitled to exercise the same powers on behalf of the company which he represents as if he were an individual shareholder of that other company.

Representation of companies at meetings of other companies of which they are members.

81. (1) A resolution shall be an extraordinary resolution when it has been passed by a majority of not less than three-fourths of such members entitled to vote as are present in person or by proxy (where proxies are allowed) at a general meeting of which notice specifying the intention to propose the resolution as an extraordinary resolution has been duly given.

Extraordinary and special resolution.

(2) A resolution shall be a special resolution when it has been—

(a) passed in manner required for the passing of an extraordinary resolution; and

(b) confirmed by a majority of such members entitled to vote as are present in person or by proxy (where proxies are allowed) at a subsequent general meeting of which notice has been duly given, and held after an interval of not less than fourteen days, nor more than one month, from the date of the first meeting.

(3) At any meeting at which an extraordinary resolution is submitted to be passed or a special resolution is submitted to be passed or confirmed, a declaration of the chairman on a show of hands that the resolution is carried shall, unless a poll is demanded, be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against the resolution.

(4) At any meeting at which an extraordinary resolution is submitted to be passed or a special resolution is submitted to be passed or confirmed, a poll may be demanded by three persons for the time being entitled according to the articles to vote unless the articles of the company require a demand by such number of such persons, not in any case exceeding five, as may be specified in the articles.

(5) In a case where, if a poll is demanded, it may in accordance with the articles be taken in such manner as the chairman may direct; it may, if the chairman so directs, be taken at the meeting at which it is demanded.

(6) When a poll is demanded in accordance with this section, in computing the majority on the poll, reference shall be had to the number of votes to which each member is entitled by the articles of the company.

(7) For the purposes of this section notice of a meeting shall be deemed to be duly given and the meeting to be duly held when the notice is given and the meeting held in manner provided by the articles.

Registration  
and copies of  
special and  
extra-  
ordinary re-  
solution.s.

**82.** (1) A copy of every special and extraordinary resolution shall, within fifteen days from the confirmation of the special resolution or from the passing of the extraordinary resolution, as the case may be, be printed or typewritten and filed with the registrar who shall record the same.

(2) Where articles have been registered, a copy of every special resolution for the time being in force shall be embodied in or annexed to every copy of the articles issued after the date of the resolution.

(3) Where articles have not been registered, a copy of every special resolution shall be forwarded in print to any member at his request, on payment of one rupee or such less sum as the company may direct.

(4) If a company makes default in so filing with the registrar a copy of a special or extraordinary resolution, it shall be liable to a fine not exceeding twenty rupees for every day during which the default continues.

(5) If a company makes default in embodying in or annexing to a copy of its articles or in forwarding in print to a member when required by this section a copy of a special resolution, it shall be liable to a fine not exceeding ten rupees for each copy in respect of which default is made.

(6) Every officer of a company who knowingly and wilfully authorises or permits any default by the company in complying with the requirements of this section shall be liable to the like penalty as is imposed by this section on the company for that default.

Minutes of  
proceedings  
of meetings  
and directors.

**83.** (1) Every company shall cause minutes of all proceedings of general meetings and of its directors to be entered in books kept for that purpose.

(2) Any such minute, if purporting to be signed by the chairman of the meeting at which the proceedings were had, or by the chairman of the next succeeding meeting, shall be evidence of the proceedings.

(3) Until the contrary is proved, every general meeting of the company or meeting of directors in respect of the proceedings whereof minutes have been so made shall be deemed to have been duly called and held, and all proceedings had thereat to have been duly had, and all appointments of directors or liquidators shall be deemed to be valid.

Restrictions  
on appoint-  
ment or  
advertis-  
ement  
of director.

<sup>1</sup> **84.** (1) A person shall not be capable of being appointed director of a company by the articles, and shall not be named as a director or proposed director of a company in any prospectus issued by or on behalf of the company or in relation to any intended company or in any statement in lieu of prospectus filed by or on behalf of a company, unless, before the registration of the articles or the publication of the prospectus, or the filing of the statement in lieu of prospectus, as the case may be, he has, by himself or by his agent authorised in writing—

(i) signed and filed with the registrar a consent in writing to act as such director; and

(ii) save in the case of a company limited by guarantee and not having a share capital, either signed the memorandum for a number of

<sup>1</sup> For sections 83A and 83B, see Corrigenda.

shares not less than his qualification (if any), or signed and filed with the registrar a contract in writing to take from the company and pay for his qualification shares (if any).

(2) On the application for registration of the memorandum and articles of a company the applicant shall file with the registrar a list of the persons who have consented to be directors of the company, and, if this list contains the name of any person who has not so consented, the applicant shall be liable to a fine not exceeding five hundred rupees.

(3) This section shall not apply to a private company nor to a prospectus issued by or on behalf of a company after the expiration of one year from the date at which the company is entitled to commence business.

**85.** (1) Without prejudice to the restrictions imposed by section 84, it shall be the duty of every director who is by the articles required to hold a specified share qualification, and who is not already qualified, to obtain his qualification within two months after his appointment, or such shorter time as may be fixed by the articles. Qualification of director.

(2) The office of director of a company shall be vacated if the director does not, within two months from the date of his appointment, or within such shorter time as may be fixed by the articles, obtain his qualification, or if after the expiration of such period or shorter time he ceases at any time to hold his qualification; and a person vacating office under this section shall be incapable of being re-appointed director of the company until he has obtained his qualification.

(3) If, after the expiration of the said period or shorter time, any unqualified person acts as a director of the company, he shall be liable to a fine not exceeding fifty rupees for every day between the expiration of the said period or shorter time and the last day on which it is proved that he acted as a director.

**86.** The acts of a director shall be valid notwithstanding any defect that may afterwards be discovered in his appointment or qualification: Provided that nothing in this section shall be deemed to give validity to acts done by a director after the appointment of such director has been shown to be invalid. Validity of acts of directors.

**87.** (1) Every company shall keep at its registered office a register containing the names and addresses and the occupations of its directors, and file with the registrar a copy thereof, and from time to time file with the registrar notice of any change among its directors or managers. List of directors to be sent to registrar.

(2) If default is made in complying with this section, the company shall be liable to a fine not exceeding fifty rupees for every day during which the default continues; and every officer of the company, who knowingly and wilfully authorises or permits the default, shall be liable to the like penalty.

#### *Contracts.*

**88.** (1) Contracts on behalf of a company may be made as follows (that is to say):— Form of contracts.

- (i) any contract which, if made between private persons, would be by law required to be in writing, signed by the parties to be charged



therewith, may be made on behalf of the company in writing signed by any person acting under its authority, express or implied, and may in the same manner be varied or discharged ;

- (ii) any contract which, if made between private persons; would by law be valid although made by parol only, and not reduced into writing, may be made by parol on behalf of the company by any person acting under its authority, express or implied, and may in the same manner be varied or discharged.

(2) All contracts made according to this section shall be effectual in law, and shall bind the company and its successors and all other parties thereto, their heirs, or legal representatives as the case may be.

**Bills of exchange and promissory notes.**

**89.** A bill of exchange, hundi or promissory note shall be deemed to have been made, drawn, accepted or endorsed on behalf of a company if made, drawn, accepted or endorsed in the name of, or by or on behalf or on account of, the company by any person acting under its authority, express or implied.

**Execution of deeds abroad<sup>1</sup>.**

**90.** A company may, by writing under its common seal, empower any person, either generally or in respect of any specified matters, as its attorney, to execute deeds on its behalf in any place not situate in British India ; and every deed signed by such attorney, on behalf of the company, and under his seal, where sealing is required, shall bind the company, and have the same effect as if it were under its common seal.

**Power for company to have official seal for use abroad.**

<sup>1</sup> **91.** (1) A company whose objects require or comprise the transaction of business beyond the limits of British India may, if authorised by its articles, have for use in any territory, district or place not situate in British India, an official seal, which shall be a facsimile of the common seal of the company, with the addition on its face of the name of every territory, district or place where it is to be used.

(2) A company having such an official seal may, by writing under its common seal, authorise any person appointed for the purpose in any territory, district or place not situate in British India to affix the same to any deed or other document to which the company is party in that territory, district or place.

(3) The authority of any such agent shall, as between the company and any person dealing with the agent, continue during the period (if any) mentioned in the instrument conferring the authority, or if no period is there mentioned, then until notice of the revocation or determination of the agent's authority has been given to the person dealing with him.

(4) The person affixing any such official seal shall, by writing under his hand, on the deed or other document to which the seal is affixed, certify the date and place of affixing the same.

(5) A deed or other document to which an official seal is duly affixed shall bind the company as if it had been sealed with the common seal of the company.

<sup>1</sup> For sections 91A to 91D, see *Corrigenda*.

*Prospectus.*

**92.** (1) Every prospectus issued by or on behalf of a company or in relation to any intended company shall be dated, and that date shall, unless the contrary be proved, be taken as the date of publication of the prospectus. Filing of prospectus.

(2) A copy of every such prospectus, signed by every person who is named therein as a director or proposed director of the company, or by his agent authorised in writing, shall be filed for registration with the registrar on or before the date of its publication, and no such prospectus shall be issued until a copy thereof has been so filed for registration.

(3) The registrar shall not register any prospectus unless it is dated, and the copy thereof signed, in manner required by this section.

(4) Every prospectus shall state on the face of it that a copy has been filed for registration as required by this section.

(5) If a prospectus is issued without a copy thereof being so filed, the company, and every person who is knowingly a party to the issue of the prospectus, shall be liable to a fine not exceeding fifty rupees for every day from the date of the issue of the prospectus until a copy thereof is so filed.

**93.** (1) Every prospectus issued by or on behalf of a company, or by or on behalf of any person who is or has been engaged or interested in the formation of the company, shall state— Specific requirements as to particulars of prospectus.

- (a) the contents of the memorandum, with the names, descriptions and addresses of the signatories and the number of shares subscribed for by them respectively ; and the number of founders or management or deferred shares (if any) and the nature and extent of the interest of the holders in the property and profits of the company ; and
- (b) the number of shares (if any) fixed by the articles as the qualification of a director, and any provision in the articles as to the remuneration of the directors ; and
- (c) the names, descriptions and addresses of the directors or proposed directors and of the managers or proposed managers (if any) ; and
- (d) the minimum subscription on which the directors may proceed to allotment, and the amount payable on application and allotment on each share ; and in the case of a second or subsequent offer of shares the amount offered for subscription on each previous allotment made within the two preceding years, and the amount actually allotted, and the amount (if any) paid on the shares so allotted ; and
- (e) the number and amount of shares and debentures which within the two preceding years have been issued, or agreed to be issued, as fully or partly paid up otherwise than in cash, and in the latter case the extent to which they are so paid up, and in either case the consideration for which those shares or debentures have been issued or agreed to be issued ; and

- (f) the names and addresses of the vendors of any property purchased or acquired by the company, or proposed so to be purchased or acquired, which is to be paid for wholly or partly out of the proceeds of the issue offered for subscription by the prospectus, or the purchase or acquisition of which has not been completed at the date of issue of the prospectus, and the amount payable in cash, shares or debentures to the vendor, and where there is more than one separate vendor or the company is a sub-purchaser, the amount so payable to each vendor: Provided that where the vendors or any of them are a firm, the members of the firm shall not be treated as separate vendors; and
- (g) the amount (if any) paid or payable as purchase-money in cash, shares or debentures, for any such property as aforesaid, specifying the amount (if any) payable for goodwill; and
- (h) the amount (if any) paid within the two preceding years or payable, as commission for subscribing or agreeing to subscribe, or procuring or agreeing to procure subscriptions, for any shares in, or debentures of, the company, or the rate of any such commission: Provided that it shall not be necessary to state the commission payable to sub-under-writers; and
- (i) the amount or estimated amount of preliminary expenses; and
- (k) the amount paid within the two preceding years or intended to be paid to any promoter, and the consideration for any such payment; and
- (l) the dates of, and parties to, every material contract, and a reasonable time and place at which any material contract or a copy thereof may be inspected: Provided that this requirement shall not apply to a contract entered into in the ordinary course of the business carried on or intended to be carried on by the company, or to any contract entered into more than two years before the date of issue of the prospectus; and
- (m) the names and addresses of the auditors (if any) of the company; and
- (n) full particulars of the nature and extent of the interest (if any) of every director in the promotion of, or in the property proposed to be acquired by, the company, or, where the interest of such a director consists in being a partner in a firm, the nature and extent of the interest of the firm, with a statement of full sums paid or agreed to be paid to him or to the firm in cash or shares or otherwise by any person either to induce him to become, or to qualify him as, a director, or otherwise for services rendered by him or by the firm in connection with the promotion or formation of the company; and
- (o) where the company is a company having shares of more than one class, the right of voting at meetings of the company conferred by the several classes of shares respectively.

(2) Where any such prospectus as is mentioned in this section is published as a newspaper advertisement, it shall not be necessary in the advertisement to specify the contents of the memorandum, or the signatories thereto, and the number of shares subscribed for by them.

(3) This section shall not apply to a circular or notice inviting existing members or debenture holders of a company to subscribe either for shares or for debentures of the company, whether with or without the right to renounce in favour of other persons.

(4) The requirements of this section as to the memorandum and the qualification, remuneration and interest of directors, the names, descriptions and addresses of directors or proposed directors, and of managers or proposed managers, and the amount or estimated amount of preliminary expenses, shall not apply in the case of a prospectus issued more than one year after the date at which the company is entitled to commence business.

(5) Nothing in this section shall limit or diminish any liability which any person may incur under the general law or this Act apart from this section.

**94.** For the purposes of section 93 every person shall be deemed to be a vendor who has entered into any contract, absolute or conditional, for the sale or purchase, or for any option of purchase, of any property to be acquired by the company, in any case where—

Meaning of  
"vendor"  
in section 93.

- (a) the purchase-money is not fully paid at the date of issue of the prospectus ; or
- (b) the purchase-money is to be paid or satisfied wholly or in part out of the proceeds of the issue offered for subscription by the prospectus ; or
- (c) the contract depends for its validity or fulfilment on the result of that issue.

**95.** Where any of the property to be acquired by the company is to be taken on lease, section 93 shall apply as if the expression " vendor " included the lessor, and the expression " purchase-money " included the consideration for the lease, and the expression " sub-purchaser " included a sub-lessee.

Application  
of section  
93 to the  
case of pro-  
perty taken  
on lease.

**96.** Any condition requiring or binding any applicant for shares or debentures to waive compliance with any requirements of section 93, or purporting to affect him with notice of any contract, document or matter not specifically referred to in the prospectus, shall be void.

Invalidity of  
certain con-  
ditions as to  
waiver or  
notice.

**97.** In the event of non-compliance with any of the requirements of section 93, a director or other person responsible for the prospectus shall not incur any liability by reason of the non-compliance, if he proves that—

Saving in  
certain cases  
of non-com-  
pliance with  
section 93

- (a) as regards any matter not disclosed, he was not cognisant thereof ; or
- (b) the non-compliance arose from an honest mistake of fact on his part :

Provided that, in the event of non-compliance with the requirements contained in clause (n) of sub-section (I) of section 93, no such director or

other person shall incur any liability in respect of the non-compliance unless it be proved that he had knowledge of the matters not disclosed.

Obligations  
of companies  
where no  
prospectus  
is issued.

**98.** (1) A company which does not issue a prospectus on or with reference to its formation shall not allot any of its shares or debentures unless before the first allotment of either shares or debentures there has been filed with the registrar a statement in lieu of prospectus signed by every person who is named therein as a director or a proposed director of the company or by his agent authorised in writing, in the form and containing the particulars set out in the Second Schedule.

(2) This section shall not apply to a private company or to a company which has allotted any shares or debentures before the commencement of this Act or, in so far as it relates to the allotment of shares to a company limited by guarantee and not having a share capital.

Restriction  
on alteration  
of terms  
mentioned  
in prospec-  
tus or state-  
ment in lieu  
of prospectus.

**99.** A company shall not, at any time, vary the terms of a contract referred to in the prospectus or statement in lieu of prospectus, except subject to the approval of the company in general meeting.

Liability for  
statements  
in prospec-  
tus.

**100.** (1) Where a prospectus invites persons to subscribe for shares in or debentures of a company every person who is a director of the company at the time of the issue of the prospectus, and every person who has authorised the naming of himself and is named in the prospectus as a director or as having agreed to become a director either immediately or after an interval of time, and every promoter of the company, and every person who has authorised the issue of the prospectus, shall be liable to pay compensation to all persons who subscribe for any shares or debentures on the faith of the prospectus for all loss or damage they may have sustained by reason of any misleading or untrue statement therein, or in any report or memorandum appearing on the face thereof, or by reference incorporated therein or issued therewith, unless it is proved—

- (a) with respect to every misleading or untrue statement not purporting to be made on the authority of an expert or of a public official document or statement, that he had reasonable ground to believe and did up to the time of the allotment of the shares or debentures, as the case may be, believe that the statement fairly represented the facts or was true ;
- (b) with respect to every misleading or untrue statement purporting to be a statement by or contained in what purports to be a copy of or extract from a report or valuation of an expert, that it fairly represented the statement, or was a correct and fair copy of or extract from the report or valuation : Provided that the director, person named as director, promoter or person who authorised the issue of the prospectus shall be liable to pay compensation as aforesaid

if it is proved that he had no reasonable ground to believe that the person making the statement, report or valuation was competent to make it ; and

- (c) with respect to every misleading or untrue statement purporting to be a statement made by an official person or contained in what purports to be a copy of or extract from a public official document, that it was a correct and fair representation of the statement or copy of or extract from the document :

or unless it is proved—

- (i) that having consented to become a director of the company he withdrew his consent before the issue of the prospectus, and that it was issued without his authority or consent ; or
- (ii) that the prospectus was issued without his knowledge or consent, and that on becoming aware of its issue, he forthwith gave a reasonable public notice that it was issued without his knowledge or consent ; or
- (iii) that, after the issue of the prospectus and before allotment thereunder, he, on becoming aware of any misleading or untrue statement therein, withdrew his consent thereto, and gave reasonable public notice of the withdrawal, and of the reason therefor.

(2) Where a company existing at the commencement of this Act has issued shares or debentures, and for the purpose of obtaining further capital by subscriptions for shares or debentures issues a prospectus, a director shall not be liable in respect of any statement therein unless he has authorised the issue of the prospectus, or has adopted or ratified it.

(3) Where the prospectus contains the name of a person as a director of the company, or as having agreed to become a director thereof, and he has not consented to become a director, or has withdrawn his consent before the issue of the prospectus, and has not authorised or consented to the issue thereof, the directors of the company, except any without whose knowledge or consent the prospectus was issued, and any other person who authorised the issue thereof, shall be liable to indemnify the person named as aforesaid against all damages, costs and expenses to which he may be made liable by reason of his name having been inserted in the prospectus, or in defending himself against any suit or legal proceedings brought against him in respect thereof.

(4) Every person who, by reason of his being a director or named as a director, or as having agreed to become a director, or of his having authorised the issue of the prospectus, becomes liable to make any payment under this section, may recover contribution, as in cases of contract, from any other person who, if sued separately, would have been liable to make the same payment, unless the person who has become so liable was, and that other person was not, guilty of fraudulent misrepresentation.

(5) For the purposes of this section—

- (a) the expression “ promoter ” means a promoter who was a party to the preparation of the prospectus, or the portion thereof containing the misleading or untrue statement, but does not include any person by reason of his acting in a professional capacity for persons engaged in procuring the formation of the company ;
- (b) the expression “ expert ” includes engineer, valuer, accountant and any other person whose profession gives authority to a statement made by him.

*Allotment.*

Restriction  
as to allot-  
ment.

**101.** (1) No allotment<sup>t</sup> shall be made of any share capital of a company offered to the public for subscription, unless the following conditions have been complied with, namely :—

- (a) the amount (if any) fixed by the memorandum or articles and named in the prospectus as the minimum subscription upon which the directors may proceed to allotment ; or
- (b) if no amount is so fixed and named, then the whole amount of the share capital so offered for subscription,

has been subscribed, and the sum payable on application for the amount so fixed and named or for the whole amount offered for subscription, has been paid to and received in cash by the company.

(2) The amount so fixed and named and the whole amount aforesaid shall be reckoned exclusively of any amount payable otherwise than in cash, and is in this Act referred to as the minimum subscription.

(3) The amount payable on application on each share shall not be less than five per cent of the nominal amount of the share.

(4) If the conditions aforesaid have not been complied with on the expiration of one hundred and twenty days after the first issue of the prospectus, all money received from applicants for shares shall be forthwith repaid to them without interest, and, if any such money is not so repaid within one hundred and thirty days after the issue of the prospectus, the directors of the company shall be jointly and severally liable to repay that money with interest at the rate of seven per cent per annum from the expiration of the one hundred and thirtieth day : Provided that a director shall not be liable if he proves that the loss of the money was not due to any misconduct or negligence on his part.

(5) Any condition requiring or binding any applicant for shares to waive compliance with any requirement of this section shall be void.

(6) This section, except sub-section (3) thereof, shall not apply to any allotment of shares subsequent to the first allotment of shares offered to the public for subscription.

(7) In the case of the first allotment of share capital payable in cash of a company which does not issue any invitation to the public to subscribe for

its shares, no allotment shall be made unless the minimum subscription (that is to say)—

- (a) the amount (if any) fixed by the memorandum or articles and named in the statement in lieu of prospectus as the minimum subscription upon which the directors may proceed to allotment ; or
- (b) if no amount is so fixed and named, the whole amount of the share capital other than that issued or agreed to be issued as fully or partly paid up otherwise than in cash ;

has been subscribed and an amount not less than five per cent of the nominal amount of each share payable in cash has been paid to and received by the company.

(8) Sub-section (7) shall not apply to a private company or to a company which has allotted any shares or debentures before the commencement of this Act.

**102.** (1) An allotment made by a company to an applicant in contravention of the provisions of section 101 shall be voidable at the instance of the applicant within one month after the holding of the statutory meeting of the company and not later, and shall be so voidable notwithstanding that the company is in course of being wound up. Effect of irregular allotment.

(2) If any director of a company knowingly contravenes or permits or authorises the contravention of any of the provisions of section 101 with respect to allotment, he shall be liable to compensate the company and the allottee respectively for any loss, damages or costs which the company or the allottee may have sustained or incurred thereby : Provided that proceedings to recover any such loss, damages or costs shall not be commenced after the expiration of two years from the date of the allotment.

**103.** (1) A company shall not commence any business or exercise any borrowing powers unless— Restriction on commencement of business

- (a) shares held subject to the payment of the whole amount thereof in cash have been allotted to an amount not less in the whole than the minimum subscription ; and
- (b) every director of the company has paid to the company on each of the shares taken or contracted to be taken by him, and for which he is liable to pay in cash, a proportion equal to the proportion payable on application and allotment on the shares offered for public subscription or, in the case of a company which does not issue a prospectus inviting the public to subscribe for its shares, on the shares payable in cash ; and
- (c) there has been filed with the registrar a duly verified declaration by the secretary or one of the directors, in the prescribed form, that the aforesaid conditions have been complied with ; and
- (d) in the case of a company which does not issue a prospectus inviting the public to subscribe for its shares, there has been filed with the registrar a statement in lieu of prospectus.



(2) The registrar shall, on the filing of a duly verified declaration, in accordance with the provisions of this section certify that the company is entitled to commence business, and that certificate shall be conclusive evidence that the company is so entitled :

Provided that, in the case of a company which does not issue a prospectus inviting the public to subscribe for its shares, the registrar shall not give such a certificate unless a statement in lieu of prospectus has been filed with him.

(3) Any contract made by a company before the date at which it is entitled to commence business shall be provisional only, and shall not be binding on the company until that date, and on that date it shall become binding.

(4) Nothing in this section shall prevent the simultaneous offer for subscription or allotment of any shares and debentures or the receipt of any money payable on application for debentures.

(5) If any company commences business or exercises borrowing powers in contravention of this section, every person who is responsible for the contravention shall, without prejudice to any other liability, be liable to a fine not exceeding five hundred rupees for every day during which the contravention continues.

(6) Nothing in this section shall apply to a private company, or to a company registered before the commencement of this Act which does not issue a prospectus inviting the public to subscribe for its shares or, in so far as its provisions relate to shares, to a company limited by guarantee and not having a share capital.

Return as to  
allotments.

**104.** (1) Whenever a company having a share capital makes any allotment of its shares, the company shall, within one month thereafter,—

(a) file with the registrar a return of the allotments, stating the number and nominal amount of the shares comprised in the allotment, the names, addresses and descriptions of the allottees, and the amount (if any) paid or due and payable on each share ; and

(b) in the case of shares allotted as fully or partly paid up otherwise than in cash, produce for the inspection and examination of the registrar a contract in writing constituting the title of the allottee to the allotment together with any contract of sale, or for services or other consideration in respect of which that allotment was made, such contracts being duly stamped, and filed with the registrar copies verified in the prescribed manner of all such contracts and a return stating the number and nominal amount of shares so allotted, the extent to which they are to be treated as paid up, and the consideration for which they have been allotted.

(2) Where such a contract as above mentioned is not reduced to writing, the company shall, within one month after the allotment, file with the registrar the prescribed particulars of the contract stamped with the same stamp-duty as would have been payable if the contract had been reduced to

II of 1899.

writing and these particulars shall be deemed to be an instrument within the meaning of the <sup>1</sup>Indian Stamp Act, 1899, and the registrar may, as a condition of filing the particulars, require that the duty payable thereon be adjudicated under section 31 of that Act.

(3) If default is made in complying with the requirements of this section, every officer of the company who is knowingly a party to the default shall be liable to a fine not exceeding five hundred rupees for every day during which the default continues :

Provided that, in case of default in filing with the registrar within one month after the allotment any document required to be filed by this section, the company, or any person liable for the default, may apply to the Court for relief, and the Court, if satisfied that the omission to file the document was accidental or due to inadvertence or that on other grounds it is just and equitable to grant relief, may make an order extending the time for the filing of the document for such a period as the Court may think proper.

#### *Commissions and Discounts.*

**105.** (1) It shall be lawful for a company to pay a commission to any person in consideration of his subscribing or agreeing to subscribe, whether absolutely or conditionally, for any shares in the company, or procuring or agreeing to procure subscriptions, whether absolute or conditional, for any shares in the company, if the payment of the commission is authorised by the articles and the commission paid or agreed to be paid does not exceed the amount or rate so authorised and if the amount or rate per cent of the commission paid or agreed to be paid is—

Power to pay certain commissions and prohibition of payment of all other commissions, discounts, etc.

- (a) in the case of shares offered to the public for subscription, disclosed in the prospectus ; or
- (b) in the case of shares not offered to the public for subscription, disclosed in the statement in lieu of prospectus, or in a statement in the prescribed form signed in like manner as a statement in lieu of prospectus and filed with the registrar and, where a circular or notice, not being a prospectus inviting subscription for the shares is issued, also disclosed in that circular or notice.

(2) Save as aforesaid, no company shall apply any of its shares or capital money either directly or indirectly in payment of any commission, discount or allowance, to any person in consideration of his subscribing or agreeing to subscribe, whether absolutely or conditionally, for any shares of the company, or procuring or agreeing to procure subscriptions, whether absolute or conditional, for any shares in the company, whether the shares or money be so applied by being added to the purchase-money of any property acquired by the company or to the contract price of any work to be executed for the

company, or the money be paid out of the nominal purchase-money or contract price, or otherwise.

(3) Nothing in the section shall affect the power of any company to pay such brokerage as it has heretofore been lawful for a company to pay, and a vendor to, promoter of, or other person who receives payment in money or shares from, a company shall have and shall be deemed always to have had power to apply any part of the money or shares so received in payment of any commission, the payment of which, if made directly by the company, would have been legal under this section.

Statement in  
balance-  
sheet as to  
commissions  
and discounts.

**106.** Where a company has paid any sums by way of commission in respect of any shares or debentures or allowed any sums by way of discount in respect of any debentures, the total amount so paid or allowed or so much thereof as has not been written off, shall be stated in every balance-sheet of the company until the whole amount thereof has been written off.

*Payment of interest out of Capital.*

Power of  
company to  
pay interest  
out of capital  
in certain  
cases.

**107.** Where any shares of a company are issued for the purpose of raising money to defray the expenses of the construction of any works or buildings or the provision of any plant which cannot be made profitable for a lengthened period, the company may pay interest on so much of that share capital as is for the time being paid up for the period and subject to the conditions and restrictions in this section mentioned, and may charge the same to capital as part of the cost of construction of the work or building, or the provision of plant :

Provided that—

- (1) no such payment shall be made unless the same is authorised by the articles or by special resolution ;
- (2) no such payment, whether authorised by the articles or by special resolution, shall be made without the previous sanction of the Local Government, which sanction shall be conclusive evidence for the purposes of this section that the shares of the company, in respect of which such sanction is given, have been issued for a purpose specified in this section ;
- (3) before sanctioning any such payment, the Local Government may, at the expense of the company, appoint a person to inquire and report to such Local Government as to the circumstances of the case, and may, before making the appointment, require the company to give security for the payment of the costs of the inquiry ;
- (4) the payment shall be made only for such period as may be determined by the Local Government ; and such period shall in no case extend beyond the close of the half-year next after the half-year during which the works or buildings have been actually completed or the plant provided ;

- (5) the rate of interest shall in no case exceed four per cent per annum or such lower rate as the Governor General in Council may, by notification in the Gazette of India, prescribe ;
- (6) the payment of the interest shall not operate as a reduction of the amount paid up on the shares in respect of which it is paid ;
- (7) the accounts of the company shall show the share capital on which, and the rate at which, interest has been paid out of capital during the period to which the accounts relate ;
- (8) nothing in this section shall affect any company to which the <sup>1</sup>Indian Railway Companies Act, 1895, or the <sup>2</sup>Indian Tramways Act, 1902, applies.

X of 1895.  
IV of 1902.

*Certificates of Shares, etc.*

**108.** (1) Every company shall, within three months after the allotment of any of its shares, debentures or debenture stock, and within three months after the registration of the transfer of any such shares, debentures or debenture stock, complete and have ready for delivery the certificates of all shares, the debentures, and the certificates of all debenture stock allotted or transferred, unless the conditions of issue of the shares, debentures or debenture stock otherwise provide.

Limitation of  
time for  
issue of cer-  
tificates.

(2) If default is made in complying with the requirements of this section, the company, and every officer of the company who is knowingly a party to the default, shall be liable to a fine not exceeding fifty rupees for every day during which the default continues.

*Information as to Mortgages, Charges, etc.*

**109.** Every mortgage or charge created after the commencement of this Act by a company and being either -

- (a) a mortgage or charge for the purpose of securing any issue of debentures ; or
- (b) a mortgage or charge on uncalled share capital of the company ; or
- (c) a mortgage or charge on any immoveable property wherever situate, or any interest therein ; or
- (d) a mortgage or charge on any book debts of the company ; or
- (e) a floating charge on the undertaking or property of the company ;

Certain  
mortgages  
and charges  
to be void  
if not regis-  
tered.

shall, so far as any security on the company's property or undertaking is thereby conferred, be void against the liquidator and any creditor of the company, unless the prescribed particulars of the mortgage or charge, together with the instrument (if any) by which the mortgage or charge is created or evidenced, or a copy thereof verified in the prescribed manner are filed with

<sup>1</sup> Genl. Acts, Vol. IV.

<sup>2</sup> Genl. Acts, Vol. V.

the registrar for registration in manner required by this Act within twenty-one days after the date of its creation, but without prejudice to any contract or obligation for repayment of the money thereby secured. and when a mortgage or charge becomes void under this section. the money secured thereby shall immediately become payable :

Provided that—

- (i) in the case of a mortgage or charge created out of British India comprising solely property situate outside British India twenty-one days after the date on which the instrument or copy could, in due course, of post, and if despatched with due diligence, have been received in British India shall be substituted for twenty-one days after the date of the creation of the mortgage or charge, as the time within which the particulars and instrument or copy are to be filed with the registrar ; and
- (ii) where the mortgage or charge is created in British India but comprises property outside British India, the instrument creating or purporting to create the mortgage or charge or a copy thereof verified in the prescribed manner may be filed for registration notwithstanding that further proceedings may be necessary to make the mortgage or charge valid or effectual according to the law of the country in which the property is situate ; and
- (iii) where a negotiable instrument has been given to secure the payment of any book debts of a company, the deposit of the instrument for the purpose of securing an advance to the company shall not for the purposes of this section be treated as a mortgage or charge on those book debts ; and
- (iv) the holding of debentures entitling the holder to a charge on immoveable property shall not be deemed to be an interest in immoveable property.

Particulars  
in case of  
series of  
debentures  
entitling  
holders *pari*  
*passu*.

**110.** Where a series of debentures containing, or giving by reference to any other instrument, any charge to the benefit of which the debenture-holders of that series are entitled *pari passu* is created by a company, it shall be sufficient for the purposes of section 109 if there are filed with the registrar within twenty-one days after the execution of the deed containing the charge or, if there is no such deed, after the execution of any debentures of the series, the following particulars :—

- (a) the total amount secured by the whole series ; and
- (b) the dates of the resolution authorising the issue of the series and the date of the covering deed (if any) by which the security is created or defined ; and
- (c) a general description of the property charged ; and
- (d) the names of the trustees (if any) for the debenture-holders ;

together with the deed or a copy thereof verified in the prescribed manner containing the charge, or if there is no such deed, one of the debentures of the series and the registrar shall, on payment of the prescribed fee, enter those particulars in the register :

Provided that, where more than one issue is made of debentures in the series, there shall be filed with the registrar for entry in the register particulars of the date and amount of each issue, but an omission to do this shall not affect the validity of the debentures issued.

**111.** Where any commission, allowance or discount has been paid or made either directly or indirectly by the company to any person in consideration of his subscribing or agreeing to subscribe, whether absolutely or conditionally, for any debentures of the company, or procuring or agreeing to procure subscriptions, whether absolute or conditional, for any such debentures, the particulars required to be filed for registration under sections 109 and 110 shall include particulars as to the amount or rate per cent of the commission, discount or allowance so paid or made, but an omission to do this shall not affect the validity of the debentures issued :

Particulars in case of commission, etc., on debentures.

Provided that the deposit of any debentures as security for any debt of the company shall not for the purposes of this provision be treated as the issue of the debentures at a discount.

**112.** (1) The registrar shall keep, with respect to each company, a register in the prescribed form of all the mortgages and charges created by the company after the commencement of this Act and requiring registration under section 109, and shall, on payment of the prescribed fee, enter in the register, with respect to every such mortgage or charge, the date of creation, the amount secured by it, short particulars of the property mortgaged or charged, and the names of the mortgagors or persons entitled to the charge.

Register of mortgages and charges.

(2) After making the entry required by sub-section (1), the registrar shall return the instrument (if any) or the verified copy thereof, as the case may be, filed in accordance with the provisions of section 109 or section 110 to the person filing the same.

(3) The register kept in pursuance of this section shall be open to inspection by any person on payment of the prescribed fee, not exceeding one rupee for each inspection.

**113.** The registrar shall keep a chronological index, in the prescribed form and with the prescribed particulars, of the mortgages or charges registered with him under this Act.

Index to register of mortgages and charges.

**114.** The registrar shall give a certificate under his hand of the registration of any mortgage or charge registered in pursuance of section 109, stating the amount thereby secured, and the certificate shall be conclusive evidence that the requirements of sections 109 to 112 as to registration have been complied with.

Certificate of registration.

**115.** The company shall cause a copy of every certificate of registration, given under section 114, to be endorsed on every debenture or certificate of

Endorsement of certificate of registration.

tion on  
debenture or  
certificate of  
debenture  
stock.

debenture stock which is issued by the company, and the payment of which is secured by the mortgage or charge so registered :

Provided that nothing in this section shall be construed as requiring a company to cause a certificate of registration of any mortgage or charge so given to be endorsed on any debenture or certificate of debenture stock which has been issued by the company before the mortgage or charge was created.

Duty of  
company and  
right of in-  
terested  
party as  
regards  
registration.

**116.** (1) It shall be the duty of the company to file with the registrar for registration the prescribed particulars of every mortgage or charge created by the company and of the issues of debentures of a series, requiring registration under section 109, but registration of any such mortgage or charge may be effected on the application of any person interested therein.

(2) Where the registration is effected on the application of some person other than the company, that person shall be entitled to recover from the company the amount of any fees properly paid by him to the registrar on the registration.

Copy of in-  
strument  
creating  
mortgage or  
charge to be  
kept at  
registered  
office.  
Registration  
of appoint-  
ment of  
receiver.

**117.** Every company shall cause a copy of every instrument creating any mortgage or charge requiring registration under section 109, to be kept at the registered office of the company : Provided that, in the case of a series of uniform debentures, a copy of one such debenture shall be sufficient.

**118.** (1) If any person obtains an order for the appointment of a receiver of the property of a company, or appoints such a receiver under any powers contained in any instrument, he shall, within fifteen days from the date of the order or of the appointment under the powers contained in the instrument, file notice of the fact with the registrar, and the registrar shall, on payment of the prescribed fee, enter the fact in the register of mortgages and charges.

(2) If any person makes default in complying with the requirements of this section, he shall be liable to a fine not exceeding fifty rupees for every day during which the default continues.

Filing of  
accounts of  
receivers.

**119.** (1) Every receiver of the property of a company who has been appointed under the powers contained in any instrument, and who has taken possession, shall once in every half-year while he remains in possession, and also on ceasing to act as receiver, file with the registrar an abstract in the prescribed form of his receipts and payments during the period to which the abstract relates, and shall also on ceasing to act as receiver file with the registrar notice to that effect, and the registrar shall enter the notice in the register of mortgages and charges.

(2) Every receiver who makes default in complying with the provisions of this section shall be liable to a fine not exceeding five hundred rupees.

Rectification  
of register of  
mortgages.

**120.** The Court, on being satisfied that the omission to register a mortgage or charge within the time required by section 109, or that the omission or mis-statement of any particular with respect to any such mortgage or charge, was accidental, or due to inadvertence or to some other sufficient cause, or is not of a nature to prejudice the position of creditors or share-holders of the

company, or that on other grounds it is just and equitable to grant relief, may, on the application of the company or any person interested, and on such terms and conditions as seem to the Court just and expedient order that the time for registration be extended, or, as the case may be, that the omission or misstatement be rectified, and may make such order as to the costs of the application as it thinks fit.

**121.** The registrar may, on evidence being given to his satisfaction that the debt for which any registered mortgage or charge was given has been paid or satisfied, order that a memorandum of satisfaction be entered on the register, and shall if required furnish the company with a copy thereof. Entry of satisfaction.

**122.** (1) If any company makes default in filing with the registrar for registration the particulars— Penalties.

- (a) of any mortgage or charge created by the company ; or
- (b) of the issues of debentures of a series,

requiring registration with the registrar under the foregoing provisions of this Act, then, unless the registration has been effected on the application of some other person, the company, and every officer of the company or other person who is knowingly a party to the default, shall on conviction be liable to a fine not exceeding five hundred rupees for every day during which the default continues.

(2) Subject as aforesaid, if any company makes default in complying with any of the requirements of this Act as to the registration with the registrar of any mortgage or charge created by the company, the company, and every officer of the company, who knowingly and wilfully authorises or permits the default shall, without prejudice to any other liability, be liable on conviction to a fine not exceeding one thousand rupees.

(3) If any person knowingly and wilfully authorises or permits the delivery of any debenture or certificate of debenture stock requiring registration with the registrar under the foregoing provisions of this Act without a copy of the certificate of registration being endorsed upon it, he shall, without prejudice to any other liability, be liable on conviction to a fine not exceeding one thousand rupees.

**123.** (1) Every limited company shall keep a register of mortgages and enter therein all mortgages and charges specifically affecting property of the company, giving in each case a short description of the property mortgaged or charged, the amount of the mortgage or charge and (except in the case of securities to bearer) the names of the mortgagees or persons entitled thereto. Company's register of mortgages.

(2) If any director, manager or other officer of the company knowingly and wilfully authorises or permits the omission of any entry required to be made in pursuance of this section, he shall be liable to a fine not exceeding five hundred rupees.

**124.** (1) The copies kept at the registered office of the company in pursuance of section 117 of instruments creating any mortgage or charge requiring registration under this Act with the registrar and the register of mortgages Right to inspect copies of instruments



creating mortgages and charges and company's register of mortgages.

kept in pursuance of section 123, shall be open at all reasonable times to the inspection of any creditor or member of the company without fee, and the register of mortgages shall also be open to the inspection of any other person on payment of such fee, not exceeding one rupee for each inspection, as the company may prescribe. "

(2) If inspection of the said copies or register is refused, the company shall be liable to a fine not exceeding fifty rupees and a further fine not exceeding twenty rupees for every day during which the refusal continues, and every officer of the company who knowingly authorises or permits the refusal shall incur the like penalty, and in addition to the above penalty, the Court may by order compel an immediate inspection of the copies or register.

Right to inspect the register of debenture-holders and to have copies of trust-deed.

**125.** (1) Every register of holders of debentures of a company shall, except when closed in accordance with the articles during such period or periods (not exceeding in the whole thirty days in any year) as may be specified in the articles be open to the inspection of the registered holder of any such debentures, and of any holder of shares in the company, but subject to such reasonable restrictions as the company may in general meeting impose, so that at least two hours in each day are appointed for inspection, and every such holder may require a copy of the register or any part thereof on payment of six annas for every one hundred words or fractional part thereof required to be copied.

(2) A copy of any trust-deed for securing any issue of debentures shall be forwarded to every holder of any such debentures at his request on payment in the case of a printed trust-deed of the sum of one rupee or such less sum as may be prescribed by the company, or, where the trust-deed has not been printed, on payment of six annas for every one hundred words or fractional part thereof required to be copied.

(3) If inspection is refused, or a copy is refused or not forwarded, the company shall be liable to a fine not exceeding fifty rupees, and to a further fine not exceeding twenty rupees for every day during which the refusal continues, and every officer of the company who knowingly authorises or permits the refusal shall incur the like penalty, and the Court may by order compel an immediate inspection of the register.

#### *Debentures and Floating Charges.*

Perpetual debentures.

**126.** A condition contained in any debentures or in any deed for securing any debentures, whether issued or executed before or after the passing of this Act, shall not be invalid by reason only that thereby the debentures are made irredeemable or redeemable only on the happening of a contingency, however remote, or on the expiration of a period however long.

Power to re-issue redeemed debentures in certain cases

**127.** (1) Where either before or after the commencement of this Act a company has redeemed any debentures previously issued, the company, unless the articles or the conditions of issue expressly otherwise provide, or unless the debentures have been redeemed in pursuance of any obligation on the

company so to do (not being an obligation enforceable only by the person to whom the redeemed debentures were issued or his assigns) shall have power, and shall be deemed always to have had power, to keep the debentures alive for the purposes of re-issue, and where a company has purported to exercise such a power the company shall have power, and shall be deemed always to have had power, to re-issue the debentures either by re-issuing the same debentures or by issuing other debentures in their place, and upon such re-issue the person entitled to the debentures shall have, and shall be deemed always to have had, the same rights and priorities as if the debentures had not previously been issued.

(2) Where with the object of keeping debentures alive for the purpose of re-issue they have, either before or after the commencement of this Act, been transferred to a nominee of the company, a transfer from that nominee shall be deemed to be a re-issue for the purposes of this section.

(3) Where a company has, either before or after the commencement of this Act, deposited any of its debentures to secure advances from time to time on current account or otherwise, the debentures shall not be deemed to have been redeemed by reason only of the account of the company having ceased to be in debit whilst the debentures remained so deposited.

(4) The re-issue of a debenture or the issue of another debenture in its place under the power by this section given to, or deemed to have been possessed by, a company, whether the re-issue or issue was made before or after the commencement of this Act, shall be treated as the issue of a new debenture for the purposes of stamp-duty, but it shall not be so treated for the purposes of any provision limiting the amount or number of debentures to be issued :

Provided that any person lending money on the security of a debenture re-issued under this section which appears to be duly stamped may give the debenture in evidence in any proceedings for enforcing his security without payment of the stamp-duty or any penalty in respect thereof, unless he had notice or, but for his negligence, might have discovered, that the debenture was not duly stamped, but in any such case the company shall be liable to pay the proper stamp-duty and penalty.

(5) Nothing in this section shall prejudice —

- (a) the operation of any decree or order of a Court of competent jurisdiction pronounced or made before the twenty-fifth day of February, 1910, as between the parties to the proceedings in which the decree or order was made, and any appeal from any such decree or order shall be decided as if this Act had not been passed ; or
- (b) any power to issue debentures in the place of any debentures paid off or otherwise satisfied or extinguished, reserved to a company by its debentures or the securities for the same.

**123.** A contract with a company to take up and pay for any debentures of the company may be enforced by a decree for specific performance.

Specific performance of contract to subscribe for debentures.

Payments of certain debts out of assets subject to floating charge in priority to claims under the charge.

**129.** (1) Where either a receiver is appointed on behalf of the holders of any debentures of a company secured by a floating charge, or possession is taken by or on behalf of those debenture-holders of any property comprised in or subject to the charge, then, if the company is not at the time in course of being wound up, the debts which in every winding up are under the provisions of Part V relating to preferential payments to be paid in priority to all other debts, shall be paid forthwith out of any assets coming to the hands of the receiver or other person taking possession as aforesaid in priority to any claim for principal or interest in respect of the debentures.

(2) The periods of time mentioned in the said provisions of Part V shall be reckoned from the date of the appointment of the receiver or of possession being taken as aforesaid, as the case may be.

(3) Any payments made under this section shall be recouped, as far as may be, out of the assets of the company available for payment of general creditors.

*Statements. Books and Accounts.*

Company to keep proper books of account.

**130.** Every company shall keep proper books of account in which shall be entered full, true and complete accounts of the affairs and transactions of the company.

Annual balance-sheet.

**131.** (1) Every company shall, once at least in every year and at intervals of not more than fifteen months, cause the accounts of the company to be balanced and a balance-sheet to be prepared.

(2) The balance-sheet shall be audited by the auditor of the company as hereinafter provided, and the auditor's report shall be attached thereto, or there shall be inserted at the foot thereof a reference to the report, and the report shall be read before the company in general meeting and shall be open to inspection by any member of the company.

(3) Every company other than a private company shall send a copy of such balance-sheet so audited to the registered address of every member of the company at least seven days before the meeting at which it is to be laid before the members of the company, and shall deposit a copy at the registered office of the company for the inspection of the members of the company during a period of at least seven days before that meeting.

(4) If a company makes default in complying with the requirements of this section, it shall be liable to a fine not exceeding one thousand rupees, and every officer of the company who knowingly and wilfully authorises or permits the default shall be liable to the like penalty.

Contents of balance-sheet.

**132.** (1) The balance-sheet shall contain a summary of the property and assets and of the capital and liabilities of the company giving such particulars as will disclose the general nature of those liabilities and assets and how the value of the fixed assets has been arrived at.

(2) The balance-sheet shall be in the form marked F in the Third Schedule or as near thereto as circumstances admit.

**133.** (1) Save as provided by sub-section (2) the balance-sheet shall—

Authentica-  
tion of  
balance-  
sheet. •

- (i) in the case of a banking company, be signed by the manager (if any) and, where there are more than three directors of the company, by at least three of those directors and, where there are not more than three directors, by all the directors ;
- (ii) in the case of any other company, be signed by two directors or, when there are less than two directors, by the sole director and by the manager (if any) of the company.

(2) When the total number of directors of the company for the time being in British India is less than the number of directors whose signatures are required by sub-section (1), then the balance-sheet shall be signed by all the directors for the time being in British India, or, if there is only one director for the time being in British India, by such director, but in such a case there shall be subjoined to the balance-sheet a statement signed by such directors or director explaining the reason for non-compliance with the provisions of sub-section (1).

(3) If any copy of a balance-sheet which has not been signed as required by this section is issued, circulated or published, the company and every officer of the company who is knowingly a party to the default shall be punishable with fine which may extend to five hundred rupees.

**134.** (1) After the balance-sheet has been laid before the company at the general meeting a copy thereof signed by the manager or secretary of the company shall be filed with the registrar at the same time as the copy of the annual list of members and summary prepared in accordance with the requirements of section 32.

Copy of  
balance-  
sheet and  
auditor's  
report to be  
forwarded to  
the registrar.

(2) If the general meeting before which a balance-sheet is laid does not adopt the balance-sheet, a statement of that fact and of the reasons therefor shall be annexed to the balance-sheet and to the copy thereof required to be filed with the registrar.

(3) This section shall not apply to a private company.

(4) If a company makes default in complying with the requirements of this section, the company and every officer of the company who knowingly and wilfully authorises or permits the default shall be liable to the like penalty as is provided by section 32 for a default in complying with the provisions of that section.

**135.** Save as otherwise provided in this Act, any member of a company shall be entitled to be furnished with copies of the balance-sheet and the auditor's report at a charge not exceeding six annas for every hundred words or fractional part thereof.

Right of  
member of  
company to  
copies of the  
balance-sheet  
and the  
auditor's  
report.

*Statement to be published by Banking and certain other Companies.*

**136.** (1) Every company being a limited banking company or an insurance company or a deposit, provident or benefit society shall, before it com-

Certain com-  
panies to  
publish state-

ment in  
schedule.

mences business, and also on the first Monday in February and the first Monday in August in every year during which it carries on business, make a statement in the form marked G in the Third Schedule, or as near thereto as circumstances will admit.

(2) A copy of the statement shall be displayed and, until the display of the next following statement, kept displayed in a conspicuous place in the registered office of the company, and in every branch office or place where the business of the company is carried on.

(3) Every member and every creditor of the company shall be entitled to a copy of the statement on payment of a sum not exceeding eight annas.

(4) If a company makes default in complying with the requirements of this section, it shall be liable to a fine not exceeding fifty rupees for every day during which the default continues; and every officer of the company who knowingly and wilfully authorises or permits the default shall be liable to the like penalty.

(5) This section shall not apply to a life assurance company or provident insurance society to which the provisions of the <sup>1</sup>Indian Life Assurance Companies Act, 1912, or of the <sup>2</sup>Provident Insurance Societies Act, 1912, as the case may be, as to the annual statements to be made by such company or society apply with or without modifications, if the company or society complies with those provisions. VI of 1912, V of 1912.

#### *Investigation by the Registrar.*

Power of  
registrar to  
call for in-  
formation or  
explanation.

**137.** (1) Where the registrar, on perusal of any document which a company is required to submit to him under the provisions of this Act, is of opinion that any information or explanation is necessary in order that such document may afford full particulars of the matter to which it purports to relate, he may, by a written order call on the company submitting the document to furnish in writing such information or explanation within such time as he may specify in his order.

(2) On the receipt of an order under sub-section (1), it shall be the duty of all persons who are or have been officers of the company to furnish such information or explanation to the best of their power.

(3) If any such person refuses or neglects to furnish any such information or explanation, he shall be liable to a fine not exceeding fifty rupees in respect of each offence.

(4) On receipt of such information or explanation the registrar may annex the same to the original document submitted to him; and any additional document so annexed by the registrar shall be subject to the like provisions as to inspection and the taking of copies as the original document is subject.

(5) If such information or explanation is not furnished within the specified time, or if after perusal of such information or explanation the registrar is of opinion that the document in question discloses an unsatisfactory state of

<sup>1</sup> *Supra*, p. 264.

<sup>2</sup> *Supra*, p. 256.

affairs, or that it does not disclose a full and fair statement of the matters to which it purports to relate, the registrar shall report in writing the circumstances of the case to the Local Government.

*Inspection and Audit.*

**138.** The Local Government may appoint one or more competent inspectors to investigate the affairs of any company and to report thereon in such manner as the Local Government may direct—

*Investigation of affairs of company by inspectors.*

- (i) in the case of a banking company having a share capital, on the application of members holding not less than one-fifth of the shares issued ;
- (ii) in the case of any other company having a share capital, on the application of members holding not less than one-tenth of the shares issued ;
- (iii) in the case of a company not having a share capital, on the application of not less than one-fifth in number of the persons on the company's register of members ;
- (iv) in the case of any company, on a report by the registrar under section 137, sub-section (5).

**139.** An application by members of a company under section 138 shall be supported by such evidence as the Local Government may require for the purpose of showing that the applicants have good reason for, and are not actuated by malicious motives in, requiring the investigation ; and the Local Government may, before appointing an inspector, require the applicants to give security for payment of the costs of the inquiry.

*Application for inspection to be supported by evidence.*

**140.** (1) It shall be the duty of all persons who are or have been officers of the company to produce to the inspectors all books and documents in their custody or power relating to the company.

*Inspection of books and examination of officers.*

(2) An inspector may examine on oath any such person in relation to its business, and may administer an oath accordingly.

(3) If any person refuses to produce any book or document which under this section it is his duty to produce, or to answer any question relating to the affairs of the company, he shall be liable to a fine not exceeding fifty rupees in respect of each offence.

**141.** (1) On the conclusion of the investigation, the inspectors shall report their opinion to the Local Government, and a copy of the report shall be forwarded by the Local Government to the registered office of the company, and a further copy shall, at the request of the applicants for the investigation, be delivered to them.

*Results of examination how dealt with.*

(2) The report shall be written or printed, as the Local Government directs.

(3) All expenses of, and incidental to, the investigation shall be defrayed by the applicants unless the Local Government directs the same to be paid by the company, which the Local Government is hereby authorised to do.

Power of  
company to  
appoint in-  
spectors.

**142.** (1) A company may by a special resolution appoint inspectors to investigate its affairs.

(2) Inspectors so appointed shall have the same powers and duties as inspectors appointed by the Local Government, except that, instead of reporting to the Local Government, they shall report in such manner and to such persons as the company in general meeting may direct.

(3) All persons who are or have been officers of the company shall incur the like penalties in case of refusal to produce any book or document required to be produced to inspectors so appointed, or to answer any question, as they would have incurred if the inspectors had been appointed by the Local Government.

Report of  
inspectors to  
be evidence.

**143.** A copy of the report of any inspectors appointed under this Act, authenticated by the seal of the company whose affairs they have investigated, shall be admissible in any legal proceeding as evidence of the opinion of the inspectors in relation to any matter contained in the report.

Qualifications  
and appoint-  
ment of  
auditors.

**144.** (1) No person shall be appointed or act as an auditor of any company other than a private company unless he holds a certificate from the Local Government entitling him to act as an auditor of companies :

Provided that the Governor General in Council may, by notification in the Gazette of India, declare that the members of any institution or association specified in such notification shall be entitled to be appointed and to act as auditors of companies throughout British India.

(2) The Local Government shall, by notification in the local official Gazette, make rules providing for the grant of certificates entitling the holders thereof to act as auditors of companies, and may by such rules provide the conditions and restrictions on and subject to which such certificate shall be granted. The holder of such a certificate shall be entitled to act as an auditor of companies throughout British India unless such certificate restricts or limits the exercise of the right.

(3) Every company shall at each annual general meeting appoint an auditor or auditors to hold office until the next annual general meeting.

(4) If an appointment of an auditor is not made at an annual general meeting, the Local Government may, on the application of any member of the company, appoint an auditor of the company for the current year, and fix the remuneration to be paid to him by the company for his services.

(5) The following persons : that is to say,

(i) a director or officer of the company ; and

(ii) a partner of such director or officer ; and

(iii) in the case of a company other than a private company, any person in the employment of such director or officer,

shall not be appointed auditors of the company.

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<sup>1</sup> For notification declaring that the members of certain institutions and associations shall be entitled to act as auditors, see Gazette of India, 1914, Pt. I, p. 405.

(6) A person, other than a retiring auditor, shall not be capable of being appointed auditor at an annual general meeting unless notice of an intention to nominate that person to the office of auditor has been given by a member of the company to the company not less than fourteen days before such annual general meeting, and the company shall send a copy of any such notice to the retiring auditor, and shall give notice thereof to its members either by advertisement or in any other mode allowed by the articles not less than seven days before the annual general meeting :

Provided that, if after notice of the intention to nominate an auditor has been given to the company, an annual general meeting is called for a date fourteen days or less after the notice has been given, the requirements of this section as to time in respect of such a notice shall be deemed to have been satisfied, and the notice to be sent or given by the company may, instead of being sent or given within the time required by this section, be sent or given at the same time as the notice of the annual general meeting.

(7) The first auditors of the company may be appointed by the directors before the statutory meeting, and if so appointed shall hold office until the first annual general meeting, unless previously removed by a resolution of the members of the company in general meeting, in which case such members at that meeting may appoint auditors.

(8) The directors may fill any casual vacancy in the office of auditor, but while any such vacancy continues, the surviving or continuing auditor or auditors (if any) may act.

(9) The remuneration of the auditors of a company shall be fixed by the company in general meeting, except that the remuneration of any auditors appointed before the statutory meeting, or to fill any casual vacancy, may be fixed by the directors.

**145.** (1) Every auditor of a company shall have a right of access at all times to the books and accounts and vouchers of the company, and shall be entitled to require from the directors and officers of the company such information and explanation as may be necessary for the performance of the duties of the auditors. Powers and duties of auditors.

(2) The auditors shall make a report to the members of the company on the accounts examined by them, and on every balance-sheet laid before the company in general meeting during their tenure of office, and the report shall state :—

- (a) whether or not they have obtained all the information and explanations they have required ; and
- (b) whether, in their opinion, the balance-sheet referred to in the report is drawn up in conformity with the law : and
- (c) whether such balance-sheet exhibits a true and correct view of the state of the company's affairs according to the best of their information and the explanations given to them, and as shown by the books of the company.



(3) In the case of a banking company, if the company has branch banks beyond the limits of India, it shall be sufficient if the auditor is allowed access to such copies of and extracts from the books and accounts of any such branch as have been transmitted to the head office of the company in British India.

Rights of preference shareholders, etc., as to receipt and inspection of reports, etc.

**146.** (1) Holders of preference shares and debentures of a company shall have the same right to receive and inspect the balance-sheets of the company and the reports of the auditors and other reports as is possessed by the holders of ordinary shares in the company.

(2) This section shall not apply to a private company, nor to a company registered before the commencement of this Act.

*Carrying on business with less than the legal minimum of members.*

Liability for carrying on business with fewer than seven or, in the case of a private company, two members.

**147.** If at any time the number of members of a company is reduced, in the case of a private company, below two, or in the case of any other company, below seven, and it carries on business for more than six months while the number is so reduced, every person who is a member of the company during the time that it so carries on business after those six months and is cognisant of the fact that it is carrying on business with fewer than two members or seven members, as the case may be, shall be severally liable for the payment of the whole debts of the company contracted during that time, and may be sued for the same without joinder in the suit of any other member.

*Service and Authentication of Documents.*

Service of documents on company. Service of documents on registrar. Authentication of documents.

**148.** A document may be served on a company by leaving it at, or sending it by post to, the registered office of the company.

**149.** A document may be served on the registrar by sending it to him by post, or delivering it to him, or by leaving it for him at his office.

**150.** A document or proceeding requiring authentication by a company may be signed by a director, secretary or other authorised officer of the company, and need not be under its common seal.

*Tables, Forms and Rules as to prescribed matters.*

Application and alteration of tables and forms, and power to make rules as to prescribed matters.

**151.** (1) The forms in the Third Schedule or forms as near thereto as circumstances admit shall be used in all matters to which those forms refer.

(2) The Governor General in Council may alter any of the tables and form in the First Schedule, so that he does not increase the amount of fees payable to the registrar in the said Schedule mentioned, and may alter or add to the forms in the Third Schedule.

(3) Any such table or form, when altered, shall be published in the Gazette of India, and on such publication shall have effect as if enacted in this Act, but no alteration made by the Governor General in Council in Table A in the First Schedule shall affect any company registered before the alteration, or repeal, as respects that company, any portion of that table.

(4) In addition to the powers hereinbefore conferred by this section, the Governor General in Council may make<sup>1</sup> rules providing for all or any matters which by this Act are to be prescribed by his authority.

(5) Every such rule shall be published in the Gazette of India, and on such publication shall have effect as if enacted in this Act.

*Arbitration and Compromise.*

**IX of 1899.** **152.** (1) A company may by written agreement refer to arbitration, in accordance with the<sup>1</sup> Indian Arbitration Act, 1899, an existing or future difference between itself and any other company or person. Power for companies to refer matters to arbitration.

(2) Companies, parties to the arbitration, may delegate to the arbitrator power to settle any terms or to determine any matter capable of being lawfully settled or determined by the companies themselves, or by their directors or other managing body.

**IX of 1899.** (3) The provisions of the<sup>2</sup> Indian Arbitration Act, 1899, other than those restricting the application of the Act in respect of the subject-matter of the arbitration, shall apply to all arbitrations between companies and persons in pursuance of this Act.

**153.** (1) Where a compromise or arrangement is proposed between a company and its creditors or any class of them, or between the company and its members or any class of them, the Court may, on the application in a summary way of the company or of any creditor or member of the company or, in the case of a company being wound up, of the liquidator, order a meeting of the creditors or class of creditors, or of the members of the company or class of members, as the case may be, to be called, held and conducted in such manner as the Court directs. Power to compromise with creditors and members.

(2) If a majority in number representing three-fourths in value of the creditors or class of creditors, or members or class of members, as the case may be, present either in person or by proxy at the meeting, agree to any compromise or arrangement, the compromise or arrangement shall, if sanctioned by the Court, be binding on all the creditors or the class of creditors, or on all the members or class of members, as the case may be, and also on the company, or, in the case of a company in the course of being wound up, on the liquidator and contributories of the company.

(3) In this section the expression "company" means any company liable to be wound up under this Act.

*Conversion of private company into public company.*

**154.** (1) A private company may, subject to anything contained in its memorandum or articles, by a special resolution and by filing with the registrar a copy of such resolution and also such a statement in lieu of prospectus Conversion of private into public company.

<sup>1</sup> For rules under the section, see Gazette of India, 1914, Pt. I, p. 865.

<sup>2</sup> Genl. Acts, Vol. V.

as the company, if a public company, would have had to file before allotting any of its shares or debentures, together with such a duly verified declaration as the company, if a public company, would have had to file before commencing business, turn itself into a public company.

(2) Upon the filing\* of the documents mentioned in sub-section (1), the registrar shall record the change in his books relating to the company.

## PART V.

### WINDING UP.

#### *Preliminary.*

Mode of  
winding up.

**155.** (1) The winding up of a company may be either—

- (i) by the Court ; or
- (ii) voluntary ; or
- (iii) subject to the supervision of the Court.

(2) The provisions of this Act with respect to winding up apply, unless the contrary appears, to the winding up of a company in any of these modes.

#### *Contributories.*

Liability as  
contributories  
of present  
and past  
members.

**156.** (1) In the event of a company being wound up, every present and past member shall, subject to the provisions of this section, be liable to contribute to the assets of the company to an amount sufficient for payment of its debts and liabilities and the costs, charges and expenses of the winding up, and for the adjustment of the rights of the contributories among themselves, with the qualifications following (that is to say) :—

- (i) a past member shall not be liable to contribute if he has ceased to be a member for one year or upwards before the commencement of the winding up ;
- (ii) a past member shall not be liable to contribute in respect of any debt, or liability of the company contracted after he ceased to be a member ;
- (iii) a past member shall not be liable to contribute unless it appears to the Court that the existing members are unable to satisfy the contributions required to be made by them in pursuance of this Act ;
- (iv) in the case of a company limited by shares, no contribution shall be required from any member exceeding the amount (if any) unpaid on the shares in respect to which he is liable as a present or past member ;
- (v) in the case of a company limited by guarantee, no contribution shall be required from any member exceeding the amount undertaken to be contributed by him to the assets of the company in the event of its being wound up ;

- (vi) nothing in this Act shall invalidate any provision contained in any policy of insurance or other contract whereby the liability of individual members on the policy or contract is restricted, or whereby the funds of the company are alone made liable in respect of the policy or contract ;
- (vii) a sum due to any member of a company in his character of a member, by way of dividends, profits or otherwise, shall not be deemed to be a debt of the company payable to that member in a case of competition between himself and any other creditor not a member of the company ; but any such sum may be taken into account for the purpose of the final adjustment of the rights of the contributories among themselves.

(2) In the winding up of a company limited by guarantee which has a share capital, every member of the company shall be liable, in addition to the amount undertaken to be contributed by him to the assets of the company in the event of its being wound up, to contribute to the extent of any sums unpaid on any shares held by him.

**157.** In the winding up of a limited company any director whether past or present, whose liability is, in pursuance of this Act, unlimited, shall, in addition to his liability (if any) to contribute as an ordinary member, be liable to make a further contribution as if he were at the commencement of the winding up a member of an unlimited company : Liability of directors whose liability is unlimited.

Provided that —

- (i) a past director shall not be liable to make such further contribution if he has ceased to hold office for a year or upwards before the commencement of the winding up ;
- (ii) a past director shall not be liable to make such further contribution in respect of any debt or liability of the company contracted after he ceased to hold office ;
- (iii) subject to the articles a director shall not be liable to make such further contribution unless the Court deems it necessary to require that contribution in order to satisfy the debts and liabilities of the company, and the costs, charges and expenses of the winding up.

**158.** The term “ contributory ” means every person liable to contribute to the assets of a company in the event of its being wound up, and, in all proceedings for determining and in all proceedings prior to the final determination of the persons who are to be deemed contributories, includes any person alleged to be a contributory. Meaning of “ contributory.”

**159.** (1) The liability of a contributory shall create a debt accruing due from him at the time when his liability commenced, but payable at the times when calls are made for enforcing the liability. Nature of liability of contributory.

(2) No claim founded on the liability of a contributory shall be cognizable by any Court of Small Causes sitting outside the Presidency-towns.

Contribu-  
tories in case  
of death  
of member.

**160.** (1) If a contributory dies either before or after he has been placed on the list of contributories, his legal representatives and his heirs shall be liable in a due course of administration to contribute to the assets of the company in discharge of his liability and shall be contributories accordingly.

(2) If the legal representatives or heirs make default in paying any money ordered to be paid by them, proceedings may be taken for administering the property of the deceased contributory, whether moveable or immoveable, or both, and of compelling payment thereof of the money due.

Contribu-  
tories in case  
of insolvency  
of member.

**161.** If a contributory is adjudged insolvent either before or after he has been placed on the list of contributories, then—

- (1) his assignees shall represent him for all the purposes of the winding up, and shall be contributories accordingly, and may be called on to admit to proof against the estate of the insolvent, or otherwise to allow to be paid out of his assets in due course of law, any money due from the insolvent in respect of his liability to contribute to the assets of the company; and
- (2) there may be proved against the estate of the insolvent the estimated value of his liability to future calls as well as calls already made.

#### *Winding up by Court.*

Circumstan-  
ces in which  
company may  
be wound up  
by Court.

**162.** A company may be wound up by the Court—

- (i) if the company has by special resolution resolved that the company be wound up by the Court :
- (ii) if default is made in filing the statutory report or in holding the statutory meeting :
- (iii) if the company does not commence its business within a year from its incorporation, or suspends its business for a whole year :
- (iv) if the number of members is reduced, in the case of a private company, below two or, in the case of any other company, below seven :
- (v) if the company is unable to pay its debts :
- (vi) if the Court is of opinion that it is just and equitable that the company should be wound up.

Company  
when deemed  
unable to  
pay its debts.

**163.** A company shall be deemed to be unable to pay its debts—

- (i) if a creditor, by assignment or otherwise, to whom the company is indebted in a sum exceeding five hundred rupees then due, has served on the company, by leaving the same at its registered office, a demand under his hand requiring the company to pay the sum so due and the company has for three weeks thereafter neglected to pay the sum, or to secure or compound for it to the reasonable satisfaction of the creditor ; or
- (ii) if execution or other process issued on a decree or order of any Court in favour of a creditor of the company is returned unsatisfied in whole or in part ; or

- (iii) if it is proved to the satisfaction of the Court that the company is unable to pay its debts, and, in determining whether a company is unable to pay its debts, the Court shall take into account the contingent and prospective liabilities of the company.

**164.** Where the High Court makes an order for winding up a company under this Act, it may, if it thinks fit, direct all subsequent proceedings to be had in a District Court; and thereupon such District Court shall, for the purpose of winding up the company, be deemed to be "the Court" within the meaning of this Act, and shall have, for the purposes of such winding up, all the jurisdiction and powers of the High Court.

**165.** If during the progress of a winding up in a District Court it is made to appear to the High Court that the same could be more conveniently prosecuted in any other District Court having jurisdiction to wind up companies, the High Court may transfer the same to such other Court, and thereupon the winding up shall proceed in such other District Court.

**166.** An application to the Court for the winding up of a company shall be by petition presented, subject to the provisions of this section, either by the company, or by any creditor or creditors (including any contingent or prospective creditor or contributors), contributory or contributories, or by all or any of those parties, together or separately:

Provided that ---

- (a) a contributory shall not be entitled to present a petition for winding up a company unless --
  - (i) either the number of members is reduced, in the case of a private company below two, or, in the case of any other company, below seven; or
  - (ii) the shares in respect of which he is a contributory or some of them either were originally allotted to him or have been held by him, and registered in his name, for at least six months during the eighteen months before the commencement of the winding up, or have devolved on him through the death of a former holder;
- (b) a petition for winding up a company on the ground of default in filing the statutory report or in holding the statutory meeting shall not be presented by any person except a shareholder, nor before the expiration of fourteen days after the last day on which the meeting ought to have been held;
- (c) the Court shall not give a hearing to a petition for winding up a company by a contingent or prospective creditor until such security for costs has been given as the Court thinks reasonable and until a *prima facie* case for winding up has been established to the satisfaction of the Court.

Effect of winding up order.

**167.** An order for winding up a company shall operate in favour of all the creditors and of all the contributories of the company as if made on the joint petition of a creditor and of a contributory.

Commencement of winding up by Court. Court may grant injunction.

**168.** A winding up of a company by the Court shall be deemed to commence at the time of the presentation of the petition for the winding up.

**169.** The Court may, at any time after the presentation of the petition for winding up a company under this Act, and before making an order for winding up the company, upon the application of the company or of any creditor or contributory of the company, restrain further proceedings in any suit or proceeding against the company, upon such terms as the Court thinks fit.

Powers of Court on hearing petition.

**170.** (1) On hearing the petition the Court may dismiss it with or without costs, or adjourn the hearing conditionally or unconditionally, or make any interim order or any other order that it deems just, but the Court shall not refuse to make a winding up order on the ground only that the assets of the company have been mortgaged to an amount equal to or in excess of those assets, or that the company has no assets.

(2) Where the petition is presented on the ground of default in filing the statutory report or in holding the statutory meeting, the Court may order the costs to be paid by any persons who, in the opinion of the Court, are responsible for the default.

Suits stayed on winding up order.

**171.** When a winding up order has been made, no suit or other legal proceeding shall be proceeded with or commenced against the company except by leave of the Court, and subject to such terms as the Court may impose.

Copy of winding up order to be filed with registrar.

**172.** (1) On the making of a winding up order, it shall be the duty of the company forthwith to file with the registrar a copy of the order, and the petitioner in the winding up proceedings may so file a copy.

(2) On the filing of a copy of a winding up order, the registrar shall make a minute thereof in his books relating to the company, and shall notify in the local official Gazette that such an order has been made.

(3) Such order shall be deemed to be notice of discharge to the servants of the company, except when the business of the company is continued.

Power of Court to stay winding up.

**173.** The Court may at any time after an order for winding up, on the application of any creditor or contributory, and on proof to the satisfaction of the Court that all proceedings in relation to the winding up ought to be stayed, make an order staying the proceedings, either altogether or for a limited time, on such terms and conditions as the Court thinks fit.

Court may have regard to wishes of creditors or contributories.

**174.** The Court may, as to all matters relating to a winding up, have regard to the wishes of the creditors or contributories as proved to it by any sufficient evidence.

#### *Official Liquidators*

Appointment of official liquidator.

**175.** (1) For the purpose of conducting the proceedings in winding up a company and performing such duties in reference thereto as the Court may impose, the Court may appoint a person or persons, to be called an official liquidator or official liquidators.

(2) The Court may make such an appointment provisionally at any time after the presentation of a petition and before the making of an order for winding up.

(3) If more persons than one are appointed to the office of official liquidator, the Court shall declare whether any act by this Act required or authorised to be done by the official liquidator is to be done by all or any one or more of such persons.

(4) The Court may determine whether any, and what, security is to be given by any official liquidator on his appointment.

(5) The acts of an official liquidator shall be valid notwithstanding any defect that may afterwards be discovered in his appointment: Provided that nothing in this sub-section shall be deemed to give validity to acts done by an official liquidator after his appointment has been shown to be invalid.

(6) A receiver shall not be appointed of assets in the hands of an official liquidator.

**176.** (1) Any official liquidator may resign or be removed by the Court on due cause shown. Resignations, removals, filling up vacancies and compensation.

(2) Any vacancy in the office of an official liquidator appointed by the Court shall be filled up by the Court.

(3) There shall be paid to the official liquidator such salary or remuneration, by way of percentage or otherwise, as the Court may direct; and, if more liquidators than one are appointed, such remunerations shall be distributed amongst them in such proportions as the Court directs.

**177.** The official liquidator shall be described by the style of the official liquidator of the particular company in respect of which he is appointed, and not by his individual name. Official liquidator.

**178.** (1) The official liquidator shall take into his custody, or under his control, all the property, effects and actionable claims to which the company is or appears to be entitled. Custody of company's property.

(2) If no official liquidator is appointed, or during any vacancy in such appointment, all the property of the company shall be deemed to be in the custody of the Court.

**179.** The official liquidator shall have power, with the sanction of the Court, to do the following things:— Powers of official liquidator.

- (a) to institute or defend any suit or prosecution, or other legal proceeding civil or criminal, in the name and on behalf of the company;
- (b) to carry on the business of the company so far as may be necessary for the beneficial winding up of the same;
- (c) to sell the immoveable and moveable property of the company by public auction or private contract, with power to transfer the whole thereof to any person or company, or to sell the same in parcels;
- (d) to do all acts and to execute, in the name and on behalf of the company, all deeds, receipts, and other documents, and for that purpose to use, when necessary, the company's seal;



- (e) to prove, rank and claim in the insolvency of any contributory, for any balance against his estate, and to receive dividends in the insolvency, in respect of that balance, as a separate debt due from the insolvent, and rateably with the other separate creditors ;
- (f) to draw, accept, make and indorse any bill of exchange, hundi or promissory note in the name and on behalf of the company, with the same effect with respect to the liability of the company as if the bill, hundi, or note had been drawn, accepted, made or indorsed by or on behalf of the company in the course of its business ;
- (g) to raise on the security of the assets of the company any money requisite ;
- (h) to take out, in his official name, letters of administration to any deceased contributory, and to do in his official name any other act necessary for obtaining payment of any money due from a contributory or his estate which cannot be conveniently done in the name of the company and in all such cases the money due shall, for the purpose of enabling the liquidator to take out the letters of administration or recover the money, be deemed to be due to the liquidator himself : Provided that nothing herein empowered shall be deemed to affect the rights, duties and privileges of any Administrator General ;
- (i) to do all such other things as may be necessary for winding up the affairs of the company and distributing its assets.

Discretion of  
official liqui-  
dator.

**180.** The Court may provide by any order that the official liquidator may exercise any of the above powers without the sanction or intervention of the Court, and, where an official liquidator is provisionally appointed, may limit and restrict his powers by the order appointing him.

Provision for  
legal assist-  
ance to  
official  
liquidator.

**181.** The official liquidator may, with the sanction of the Court, appoint an advocate, attorney or pleader entitled to appear before the Court to assist him in the performance of his duties : Provided that, where the official liquidator is an attorney, he shall not appoint his partner, unless the latter consents to act without remuneration.

Official  
books to be  
kept by  
liquidator  
in winding  
up.

**182.** The official liquidator of a company which is being wound up by the Court shall keep, in manner prescribed, proper books in which he shall cause to be made entries or minutes of proceedings at meetings, and of such other matters as may be prescribed, and any creditor or contributory may, subject to the control of the Court, personally or by his agent inspect any such books.

Exercise and  
control  
of liquida-  
tor's powers.

**183. (1)** Subject to the provisions of this Act the official liquidator of a company which is being wound up by the Court shall, in the administration of the assets of the company and in the distribution thereof among its creditors, have regard to any directions that may be given by resolution of the creditors or contributories at any general meeting.

**(2)** The official liquidator may summon general meeting of the creditors or contributories for the purpose of ascertaining their wishes, and it shall be

his duty to summon meetings at such times as the creditors or contributories, by resolution, may direct, or whenever requested in writing to do so by one-tenth in value of the creditors or contributories, as the case may be.

(3) The official liquidator may apply to the Court in manner prescribed for directions in relation to any particular matter arising in the winding up.

(4) Subject to the provisions of this Act, the official liquidator shall use his own discretion in the administration of the assets of the company and in the distribution thereof among the creditors.

(5) If any person is aggrieved by any act or decision of the official liquidator, that person may apply to the Court, and the Court may confirm, reverse or modify the act or decision complained of, and make such order as it thinks just in the circumstances.

#### *Ordinary powers of Court.*

**184.** (1) As soon as may be after making a winding up order, the Court shall settle a list of contributories, with power to rectify the register of members in all cases where rectification is required in pursuance of this Act, and shall cause the assets of the company to be collected and applied in discharge of its liabilities. Settlement of list of contributories and application of assets

(2) In settling the list of contributories, the Court shall distinguish between persons who are contributories in their own right and persons who are contributories as being representatives of or liable for the debts of others.

**185.** The Court may, at any time after making a winding up order, require any contributory for the time being settled on the list of contributories and any trustee, receiver, banker, agent, or officer of the company to pay, deliver, surrender or transfer forthwith, or within such time as the Court directs to the official liquidator any money, property or documents in his hands to which the company is *prima facie* entitled. Power to require delivery of property.

**186.** (1) The Court may, at any time after making a winding up order, make an order on any contributory for the time being settled on the list of contributories to pay, in manner directed by the order, any money due from him or from the estate of the person whom he represents to the company exclusive of any money payable by him or the estate by virtue of any call in pursuance of this Act. Power to order payment of debts by contributory.

(2) The Court in making such an order may, in the case of an unlimited company, allow to the contributory by way of set-off any money due to him or to the estate which he represents from the company on any independent dealing or contract with the company, but not any money due to him as a member of the company in respect of any dividend or profit; and may in the case of a limited company, make to any director whose liability is unlimited or to his estate the like allowance:

Provided that in the case of any company, whether limited or unlimited when all the creditors are paid in full, any money due on any account whatever

to a contributory from the company may be allowed to him by way of set-off against any subsequent call.

Power of  
Court to  
make calls.

**187.** (1) The Court may, at any time after making a winding up order, and either before or after it has ascertained the sufficiency of the assets of the company, make calls on and order payment thereof by all or any of the contributories for the time being settled on the list of the contributories to the extent of their liability, for payment of any money which the Court considers necessary to satisfy the debts and liabilities of the company, and the costs, charges and expenses of winding up, and for the adjustment of the rights of the contributories among themselves.

(2) In making the call the Court may take into consideration the probability that some of the contributories may partly or wholly fail to pay the call.

Power to  
order pay-  
ment into  
bank.

**188.** The Court may order any contributory, purchaser or other person from whom money is due to the company to pay the same into the Bank of Bengal, the Bank of Madras, or the Bank of Bombay, as the case may be, or any branch thereof, respectively, to the account of the official liquidator instead of to the official liquidator, and any such order may be enforced in the same manner as if it had directed payment to the official liquidator.

Regulation  
of account  
with Court.

**189.** All moneys, bills, hundis, notes and other securities paid and delivered into the Bank of Bengal, the Bank of Madras or the Bank of Bombay, or any branch thereof, respectively, in the event of a company being wound up by the Court, shall be subject in all respects to the orders of the Court.

Order on  
contribu-  
tory con-  
clusive  
evidence.

**190.** (1) An order made by the Court on a contributory shall (subject to any right of appeal) be conclusive evidence that the money, if any, thereby appearing to be due or ordered to be paid is due.

(2) All other pertinent matters stated in the order shall be taken to be truly stated as against all persons, and in all proceedings whatsoever.

Power to  
exclude  
creditors not  
proving  
in time.

**191.** The Court may fix a time or times within which creditors are to prove their debts or claims, or to be excluded from the benefit of any distribution made before those debts are proved.

Adjustment  
of rights of  
contributor-  
ies.

**192.** The Court shall adjust the rights of the contributories among themselves, and distribute any surplus among the persons entitled thereto.

Power to  
order costs.

**193.** The Court may, in the event of the assets being insufficient to satisfy the liabilities, make an order as to the payment out of the assets of the costs, charges and expenses incurred in the winding up in such order of priority as the Court thinks just.

Dissolution  
of company.

**194.** (1) When the affairs of a company have been completely wound up, the Court shall make an order that the company be dissolved from the date of the order, and the company shall be dissolved accordingly.

(2) The order shall be reported within fifteen days of the making thereof by the official liquidator to the registrar, who shall make in his books a minute of the dissolution of the company.

(3) If the official liquidator makes default in complying with the requirements of this section, he shall be liable to a fine not exceeding fifty rupees for every day during which he is in default.

*Extraordinary Powers of Court.*

**195.** (1) The Court may, after it has made a winding up order, summon before it any officer of the company or person known or suspected to have in his possession any property of the company, or supposed to be indebted to the company, or any person whom the Court deems capable of giving information concerning the trade, dealings, affairs or property of the company.

Power to  
summon  
persons  
suspected of  
having pro-  
perty of  
company.

(2) The Court may examine him on oath concerning the same, either by word of mouth or on written interrogatories, and may reduce his answers to writing and require him to sign them.

(3) The Court may require him to produce any documents in his custody or power relating to the company; but, where he claims any lien on documents produced by him, the production shall be without prejudice to that lien, and the Court shall have jurisdiction in the winding up to determine all questions relating to that lien.

(4) If any person so summoned, after being tendered a reasonable sum for his expenses, refuses to come before the Court at the time appointed, not having a lawful impediment (made known to the Court at the time of its sitting, and allowed by it) the Court may cause him to be apprehended and brought before the Court for examination.

**196.** (1) When an order has been made for winding up a company by the Court, and the official liquidator has applied to the Court stating that in his opinion a fraud has been committed by any person in the promotion or formation of the company or by any director or other officer of the company in relation to the company since its formation, the Court may, after consideration of the application, direct that any person who has taken any part in the promotion or formation of the company, or has been a director, manager or other officer of the company, shall attend before the Court on a day appointed by the Court for that purpose, and be publicly examined as to the promotion or formation or the conduct of the business of the company, or as to his conduct and dealings as director, manager or other officer thereof.

Power to  
order public  
examination  
of promoters,  
directors,  
etc.

(2) The official liquidator shall take part in the examination, and for that purpose may, if specially authorised by the Court in that behalf, employ such legal assistance as may be sanctioned by the Court.

(3) Any creditor or contributory may also take part in the examination either personally or by any person entitled to appear before the Court.

(4) The Court may put such questions to the person examined as the Court thinks fit.

(5) The person examined shall be examined on oath, and shall answer all such questions as the Court may put or allow to be put to him.

(6) A person ordered to be examined under this section may at his own cost employ any person entitled to appear before the Court, who shall be at liberty to put to him such questions as the Court may deem just for the purpose of enabling him to explain or qualify any answers given by him: Provided that if he is, in the opinion of the Court, exculpated from any charges made or suggested against him, the Court may allow him such costs as in its discretion it may think fit.

(7) Notes of the examination shall be taken down in writing, and shall be read over to or by, and signed by, the person examined, and may thereafter be used in evidence against him in civil proceedings, and shall be open to the inspection of any creditor or contributory at all reasonable times.

(8) The Court may, if it thinks fit, adjourn the examination from time to time.

(9) An examination under this section may, if the Court so directs, and subject to any rules in this behalf, be held before any District Judge or before any officer of the High Court, being an official referee, master, registrar or deputy registrar, and the powers of the Court under this section as to the conduct of the examination, but not as to costs, may be exercised by the person before whom the examination is held.

Power to  
arrest ab-  
sconding  
contributory.

**197.** The Court, at any time either before or after making a winding up order on proof of probable cause for believing that a contributory is about to quit British India or otherwise to abscond, or to remove or conceal any of his property, for the purpose of evading payment of calls or of avoiding examination respecting the affairs of the company, may cause the contributory to be arrested and his books and papers and moveable property to be seized, and him and them to be safely kept until such time as the Court may order.

Saving of  
other pro-  
ceedings.

**198.** Any powers by this Act conferred on the Court shall be in addition to, and not in restriction of, any existing powers of instituting proceedings against any contributory or debtor of the company, or the estate of any contributory or debtor, for the recovery of any call or other sums.

#### *Enforcement of and Appeal from Orders.*

Power to en-  
force orders.

**199.** All orders made by a Court under this Act may be enforced in the same manner in which decrees of such Court made in any suit pending therein may be enforced.

Order made  
in any Court  
to be en-  
forced by  
other Courts.

**200.** Any order made by a Court for or in the course of the winding up of a company shall be enforced in any place in British India other than that in which such Court is situate, by the Court that would have had jurisdiction in respect of such company if the registered office of the company had been situate at such other place, and in the same manner in all respects as if such order had been made by the Court that is hereby required to enforce the same.

Mode of  
dealing with  
orders to be  
enforced by  
other Courts.

**201.** Where any order made by one Court is to be enforced by another Court, a certified copy of the order so made shall be produced to the proper officer of the Court required to enforce the same, and the production of such

certified copy shall be sufficient evidence of such order having been made; and thereupon the last-mentioned Court shall take the requisite steps in the matter for enforcing the order, in the same manner as if it were the order of the Court enforcing the same.

**202.** Re-hearings of, and appeals from, any order or decision made or given in the matter of the winding up of a company by the Court may be had in the same manner and subject to the same conditions in and subject to which appeals may be had from any order or decision of the same Court in cases within its ordinary jurisdiction. Appeals from orders.

*Voluntary winding up.*

**203.** A company may be wound up voluntarily—

- (1) when the period (if any) fixed for the duration of the company by the articles expires, or the event (if any) occurs, on the occurrence of which the articles provide that the company is to be dissolved and the company in general meeting has passed a resolution requiring the company to be wound up voluntarily; Circumstances in which company may be wound up voluntarily.
- (2) if the company resolves by special resolution that the company be wound up voluntarily;
- (3) if the company resolves by extraordinary resolution to the effect that it cannot by reason of its liabilities continue its business, and that it is advisable to wind up.

**204.** A voluntary winding up shall be deemed to commence at the time of the passing of the resolution authorising the winding up. Commencement of voluntary winding up.

**205.** When a company is wound up voluntarily, the company shall, from the commencement of the winding up, cease to carry on its business, except so far as may be required for the beneficial winding up thereof: Effect of voluntary winding up on status of company.

Provided that the corporate state and corporate powers of the company shall, notwithstanding anything to the contrary in its articles, continue until it is dissolved.

**206.** (1) Notice of any special resolution or extraordinary resolution for winding up a company voluntarily shall be given by the company within ten days of the passing of the same by advertisement in the local official Gazette, and also in some newspaper (if any) circulating in the district where the registered office of the company is situate. Notice of resolution to wind up voluntarily.

(2) If a company makes default in complying with the requirements of this section, it shall be liable to a fine not exceeding fifty rupees for every day during which the default continues; and every officer of the company who knowingly and wilfully authorises or permits the default shall be liable to a like penalty.

**207.** The following consequences shall ensue on the voluntary winding up of a company:— Consequences of voluntarily winding up.

- (i) the assets of the company shall be applied in satisfaction of its liabilities *pari passu* and, subject thereto, shall, unless the articles other-

wise provide, be distributed among the members according to their rights and interests in the company ;

- (ii) the company in general meeting shall appoint one or more liquidators for the purpose of winding up the affairs and distributing the assets of the company, and may fix the remuneration to be paid to him or them ;
- (iii) on the appointment of a liquidator all the powers of the directors shall cease, except so far as the company in general meeting, or the liquidator, sanctions the continuance thereof ;
- (iv) the liquidator may, without the sanction of the Court, exercise all powers by this Act given to the official liquidator in a winding up by the Court ;
- (v) the liquidator may exercise the powers of the Court under this Act of settling a list of contributories, and of making calls, and shall pay the debts of the company, and adjust the rights of the contributories among themselves ;
- (vi) the list of contributories shall be *prima facie* evidence of the liability of the persons named therein to be contributories ;
- (vii) when several liquidators are appointed, every power hereby given may be exercised by such one or more of them as may be determined by the company at the time of their appointment, or in default of such determination by any number not less than two ;
- (viii) if from any cause whatever there is no liquidator acting, the Court may, on the application of a contributory, appoint a liquidator ; and
- (ix) the Court may, on cause shown, remove a liquidator, and appoint another liquidator.

Notice by  
liquidator  
of his ap-  
pointment.

**208.** (1) The liquidator in a voluntary winding up shall, within twenty-one days after his appointment, file with the registrar a notice of his appointment in the form prescribed.

(2) If the liquidator fails to comply with the requirements of this section, he shall be liable to a fine not exceeding fifty rupees for every day during which the default continues.

Rights of  
creditors in a  
voluntary  
winding up.

**209.** (1) Every liquidator appointed by a company in a voluntary winding up shall, within seven days from his appointment, send notice by post to all persons who appear to him to be creditors of the company that a meeting of the creditors of the company will be held on a date, not being less than twenty-one days nor more than one month after his appointment, and at a place and hour, to be specified in the notice, and shall also advertise notice of the meeting once in the local official Gazette and once at least in some newspaper (if any) circulating in the district where the registered office or principal place of business of the company was situate.

(2) At the meeting to be held in pursuance of the foregoing provisions of this section the creditors shall determine whether an application shall be made

to the Court for the appointment of any person as liquidator in the place of, or jointly with, the liquidator appointed by the company, and, if the creditors so resolve, an application may be made accordingly to the Court at any time not later than fourteen days after the date of the meeting, by any creditor appointed for the purpose at the meeting :

Provided that the Court may, by order at any time, extend the time for making an application under this sub-section for such period as the Court thinks proper.

(3) On any such application the Court may make an order either for the removal of the liquidator appointed by the company and for the appointment of some other person as liquidator or for the appointment of some other person to act as liquidator jointly with the liquidator appointed by the company, or such other order as, having regard to the interests of the creditors and contributories of the company, may seem just.

(4) The Court shall make such order as to the costs of the application as it may think fit, and, if it is of opinion that, having regard to the interests of the creditors in the liquidation, there were reasonable grounds for the application, may order the costs of the application to be paid out of the assets of the company, notwithstanding that the application is dismissed or otherwise disposed of adversely to the applicant.

**210.** (1) If a vacancy occurs by death, resignation or otherwise in the office of liquidator appointed by the company in a voluntary winding up, the company in general meeting may, subject to any arrangement with its creditors, fill the vacancy. Power to fill vacancy in office of liquidator.

(2) For that purpose a general meeting may be called by any contributory or, if there were more liquidators than one, by the continuing liquidators.

(3) The meeting shall be held in manner prescribed by the articles, or in such manner as may, on application by any contributory or by the continuing liquidators, be determined by the Court.

**211.** (1) A company about to be, or in course of being, wound up voluntarily may, by extraordinary resolution, delegate to its creditors, or to any committee of them, the power of appointing liquidators or any of them, and of supplying vacancies among the liquidators, or enter into any arrangement with respect to the powers to be exercised by the liquidators, and the manner in which they are to be exercised. Delegation of authority to appoint liquidators.

(2) Any act done by creditors in pursuance of any such delegated power shall have the same effect as if it had been done by the company.

**212.** (1) Any arrangement entered into between a company about to be, or in the course of being, wound up voluntarily and its creditors shall, subject to any right of appeal under this section, be binding on the company if sanctioned by an extraordinary resolution, and on the creditors if acceded to by three-fourths in number and value of the creditors. Arrangement when binding on creditors.

(2) Any creditor or contributory may, within three weeks from the completion of the arrangement, appeal to the Court against it, and the Court may thereupon, as it thinks just, amend, vary or confirm the arrangement.



Power for liquidators to accept shares, etc., as a consideration for sale of property of company.

**213.** (1) Where a company is proposed to be, or is in course of being, wound up altogether voluntarily, and the whole or part of its business or property is proposed to be transferred or sold to another company (in this section called the transferee company) the liquidator of the first mentioned company (in this section called the transferor company), may, with the sanction of a special resolution of that company conferring either a general authority on the liquidator or an authority in respect of any particular arrangement, receive, in compensation or part compensation for the transfer or sale, shares, policies or other like interests in the transferee company, for distribution among the members of the transferor company, or may enter into any other arrangement whereby the members of the transferor company may, in lieu of receiving cash, shares, policies or other like interests, or in addition thereto, participate in the profits of, or receive any other benefit from, the transferee company.

(2) Any sale or arrangement in pursuance of this section shall be binding on the members of the transferor company.

(3) If any member of the transferor company who did not vote in favour of the special resolution at either of the meetings held for passing and confirming the same expresses his dissent therefrom in writing addressed to the liquidator, and left at the registered office of the company within seven days after the confirmation of the special resolution, he may require the liquidator either to abstain from carrying the resolution into effect, or to purchase his interest at a price to be determined by agreement or by arbitration in manner hereinafter provided.

(4) If the liquidator elects to purchase the member's interest, the purchase-money must be paid before the company is dissolved, and be raised by the liquidator in such manner as may be determined by special resolution.

(5) A special resolution shall not be invalid for the purposes of this section by reason that it is passed before or concurrently with a resolution for winding up the company, or for appointing liquidators; but if an order is made within a year for winding up the company by or subject to the supervision of the Court, the special resolution shall not be valid unless sanctioned by the Court.

Mode of determining price.

**214.** (1) The price to be paid for the purchase of the interest of any dissentient member may be determined by agreement. If the parties dispute about the same, such dispute shall be settled by arbitration.

(2) The provisions of the <sup>1</sup>Indian Arbitration Act, 1899, other than those restricting the application of the Act in respect of the subject-matter of the arbitration, shall apply to all arbitrations in pursuance of this section. IX of 1899.

Power to apply to Court.

**215.** (1) Where a company is being wound up voluntarily, the liquidator or any contributory or creditor may apply to the Court to determine any question arising in the winding up, or to exercise as respects the enforcing of calls, or any other matters, all or any of the powers which the Court might exercise if the company were being wound up by the Court.

(2) The Court, if satisfied that the determination of the question or the required exercise of power will be just and beneficial, may accede wholly or partially to the application on such terms and conditions as the Court thinks fit, or may make such other order on the application as the Court thinks just.

**216.** (1) Where a company is being wound up voluntarily, the liquidator may, from time to time, summon general meetings of the company for the purpose of obtaining the sanction of the company by special or extraordinary resolution, or for any other purposes he may think fit. Power of liquidator to call general meeting.

(2) In the event of the winding up continuing for more than one year, the liquidator shall summon a general meeting of the company at the end of the first year from the commencement of the winding up, and of each succeeding year, or as soon thereafter as may be convenient, and shall lay before the meeting a statement in the prescribed form containing the prescribed particulars with respect to the proceedings in and the position of the liquidation.

**217.** (1) In the case of every voluntary winding up, as soon as the affairs of the company are fully wound up, the liquidator shall make up an account of the winding up, showing how the winding up has been conducted and the property of the company has been disposed of; and thereupon shall call a general meeting of the company for the purpose of laying before it the account, and giving any explanation thereof. Final meeting and dissolution.

(2) The meeting shall be called by advertisement, specifying the time, place and object thereof, and published one month at least before the meeting in the manner specified in section 206.

(3) Within one week after the meeting, the liquidator shall file with the registrar a return of the holding of the meeting, and of its date, and in default of so doing, shall be liable to a fine not exceeding fifty rupees for every day during which the default continues.

(4) The registrar on the filing of the return shall forthwith register it, and, on the expiration of three months from the registration of the return, the company shall be deemed to be dissolved:

Provided that the Court may, on the application of the liquidator or of any other person who appears to the Court to be interested, make an order deferring the date at which the dissolution of the company is to take effect for such time as the Court thinks fit.

(5) It shall be the duty of the person on whose application an order of the Court under sub-section (4) is made, within twenty-one days after the making of the order, to file with the registrar a certified copy of the order, and if that person fails so to do, he shall be liable to a fine not exceeding fifty rupees for every day during which the default continues.

**218.** All costs, charges and expenses properly incurred in the voluntary winding up of a company including the remuneration of the liquidator, shall be payable out of the assets of the company in priority to all other claims at the date of the winding up. Cost of voluntary liquidation.

Saving for rights of creditors and contributories.

**219.** The voluntary winding up of a company shall not bar the right of any creditor or contributory to have it wound up by the Court, if the Court is of opinion, in the case of an application by a creditor that the rights of the creditor or, in the case of an application by a contributory, that the rights of the contributories will be prejudiced by a voluntary winding up.

Power of Court to adopt proceedings of voluntary winding up.

**220.** Where a company is being wound up voluntarily, and an order is made for winding up by the Court, the Court may, if it thinks fit, by the same or any subsequent order, provide for the adoption of all or any of the proceedings in the voluntary winding up.

*Winding up subject to supervision of Court.*

Power to order winding up subject to supervision.

**221.** When a company has by special or extraordinary resolution resolved to wind up voluntarily, the Court may make an order that the voluntary winding up shall continue, but subject to such supervision of the Court, and with such liberty for creditors, contributories or others to apply to the Court, and generally on such terms and conditions as the Court thinks just.

Effect of petition for winding up subject to supervision. Court may have regard to wishes of creditors and contributories.

**222.** A petition for the continuance of a voluntary winding up subject to the supervision of the Court shall, for the purpose of giving jurisdiction to the Court over suits, be deemed to be a petition for winding up by the Court.

**223.** The Court may, in deciding between a winding up by the Court and a winding up subject to supervision, in the appointment of liquidators, and in all other matters relating to the winding up subject to supervision, have regard to the wishes of the creditors or contributories as proved to it by any sufficient evidence.

Power for Court to appoint or remove liquidators.

**224.** (1) Where an order is made for a winding up subject to supervision, the Court may by the same or any subsequent order appoint any additional liquidator.

(2) A liquidator appointed by the Court under this section shall have the same powers, be subject to the same obligations, and in all respects stand in the same position as if he had been appointed by the company.

(3) The Court may remove any liquidator so appointed by the Court or any liquidator continued under the supervision order, and fill any vacancy occasioned by the removal, or by death or resignation.

Effect of supervision order.

**225.** (1) Where an order is made for a winding up subject to supervision, the liquidator may, subject to any restrictions imposed by the Court, exercise all his powers, without the sanction or intervention of the Court, in the same manner as if the company were being wound up altogether voluntarily.

(2) Except as provided in sub-section (1), and save for the purposes of section 196, any order made by the Court for a winding up subject to the supervision of the Court shall for all purposes, including the staying of suits and other proceedings, be deemed to be an order of the Court for winding up the company by the Court, and shall confer full authority on the Court to make calls, or to enforce calls made by the liquidators, and to exercise all other

powers which it might have exercised if an order had been made for winding up the company altogether by the Court.

(3) In the construction of the provisions whereby the Court is empowered to direct any act or thing to be done to or in favour of the official liquidator, the expression "official liquidator" shall be deemed to mean the liquidator conducting the winding up subject to the supervision of the Court.

**226.** Where an order has been made for the winding up of a company subject to supervision, and an order is afterwards made for winding up by the Court, the Court may, by the last-mentioned order or by any subsequent order appoint the voluntary liquidators or any of them, either provisionally or permanently, and either with or without the addition of any other person, to be official liquidator in the winding up by the Court.

Appointment in certain cases of voluntary liquidators to office of official liquidators.

#### *Supplemental Provisions.*

**227.** (1) In the case of voluntary winding up every transfer of shares, except transfers made to or with the sanction of the liquidator, and every alteration in the status of the members of the company made after the commencement of the winding up shall be void.

Avoidance of transfers, etc., after commencement of winding up.

(2) In the case of a winding up by or subject to the supervision of the Court, every disposition of the property (including actionable claims) of the company, and every transfer of shares, or alteration in the status of its members, made after the commencement of the winding up shall, unless the Court otherwise orders, be void.

**228.** In every winding up (subject in the case of insolvent companies to the application in accordance with the provisions of this Act of the law of insolvency) all debts payable on a contingency, and all claims against the company, present or future, certain or contingent, shall be admissible to proof against the company, a just estimate being made, so far as possible, of the value of such debts or claims as may be subject to any contingency or for some other reason do not bear a certain value.

Debts of all descriptions to be proved.

**229.** In the winding up of an insolvent company the same rules shall prevail and be observed with regard to the respective rights of secured and unsecured creditors and to debts provable and to the valuation of annuities and future and contingent liabilities as are in force for the time being under the law of insolvency with respect to the estates of persons adjudged insolvent; and all persons who in any such case would be entitled to prove for and receive dividends out of the assets of the company may come in under the winding up, and make such claims against the company as they respectively are entitled to by virtue of this section.

Application of insolvency rules in winding up of insolvent companies.

**230.** (1) In a winding up there shall be paid in priority to all other debts—

Preferential payments.

(a) all revenue, taxes, cesses and rates, whether payable to the Crown or to a local authority, due from the company at the date hereinafter

mentioned and having become due and payable within the twelve months next before that date ;

- (b) all wages or salary of any clerk or servant in respect of service rendered to the company within the two months next before the said date, not exceeding one thousand rupees for each clerk or servant ; and
- (c) all wages of any labourer or workman, not exceeding five hundred rupees for each, whether payable for time or piecework, in respect of services rendered to the company within the two months next before the said date.

(2) The foregoing debts shall—

- (a) rank equally among themselves and be paid in full, unless the assets are insufficient to meet them, in which case they shall abate in equal proportion ; and
- (b) so far as the assets of the company available for payment of general creditors are insufficient to meet them, have priority over the claims of holders of debentures under any floating charge created by the company, and be paid accordingly out of any property comprised in or subject to that charge.

(3) Subject to the retention of such sums as may be necessary for the costs and expenses of the winding up, the foregoing debts shall be discharged forthwith so far as the assets are sufficient to meet them.

(4) In the event of a landlord or other person distraining or having distrained on any goods or effects of the company within three months next before the date of a winding up order, the debts to which priority is given by this section shall be a first charge on the goods or effects so distrained on, or the proceeds of the sale thereof :

Provided that in respect of any money paid under any such charge the landlord or other person shall have the same rights of priority as the person to whom the payment is made.

(5) The date hereinbefore in this section referred to is—

- (a) in the case of a company ordered to be wound up compulsorily which had not previously commenced to be wound up voluntarily, the date of the winding up order ; and
- (b) in any other case, the date of the commencement of the winding up.

**Fraudulent preference.**

**231.** (1) Any transfer, delivery of goods, payment, execution or other act relating to property which would, if made or done by or against an individual, be deemed in his insolvency a fraudulent preference, shall, if made or done by or against a company, be deemed, in the event of its being wound up, a fraudulent preference of its creditors, and be invalid accordingly.

(2) For the purposes of this section the presentation of a petition for winding up in the case of a winding up by or subject to the supervision of the Court and a resolution for winding up in the case of a voluntary winding up, shall be deemed to correspond with the act of insolvency in the case of an individual.

(3) Any transfer or assignment by a company of all its property to trustees for the benefit of all its creditors shall be void.

**232.** (1) Where any company is being wound up by or subject to the supervision of the Court, any attachment, distress or execution put in force without leave of the Court against the estate or effects of the company after the commencement of the winding up shall be void.

Avoidance of certain attachments, executions, etc.

(2) Nothing in this section applies to proceedings by the Government.

**233.** Where a company is being wound up a floating charge on the undertaking or property of the company created within three months of the commencement of the winding up shall, unless it is proved that the company immediately after the creation of the charge was solvent, be invalid except to the amount of any cash paid to the company at the time of, or subsequently to the creation of, and in consideration for, the charge, together with interest on that amount at the rate of five per cent per annum.

Effect of floating charge.

**234.** (1) The liquidator may, with the sanction of the Court when the company is being wound up by the Court or subject to the supervision of the Court, and with the sanction of an extraordinary resolution of the company in the case of a voluntary winding up, do the following things or any of them :

General scheme of liquidation may be sanctioned.

- (i) pay any classes of creditors in full ;
- (ii) make any compromise or arrangement with creditors or persons claiming to be creditors or having or alleging themselves to have any claim, present or future, whereby the company may be rendered liable ;
- (iii) compromise all calls and liabilities to calls, debts and liabilities
  - capable of resulting in debts, and all claims, present or future, certain or contingent subsisting or supposed to subsist between the company and a contributory or alleged contributory or other debtor or person apprehending liability to the company, and all questions in any way relating to or affecting the assets or the winding up of the company, on such terms as may be agreed, and take any security for the discharge of any such call, debt, liability or claim, and give a complete discharge in respect thereof.

(2) The exercise by the liquidator of the powers of this section shall be subject to the control of the Court, and any creditor or contributory may apply to the Court with respect to any exercise or proposed exercise of any of these powers.

**235.** (1) Where, in the course of winding up a company, it appears that any person who has taken part in the formation or promotion of the company, or any past or present director, manager or liquidator, or any officer of the company has misapplied or retained or become liable or accountable for any money or property of the company, or been guilty of any misfeasance or breach of trust in relation to the company, the Court may, on the application of the liquidator, or of any creditor or contributory, examine into the

Power of Court to assess damages against delinquent directors, etc.

conduct of the promoter, director, manager, liquidator or officer, and compel him to repay or restore the money or property or any part thereof respectively with interest at such rate as the Court thinks just, or to contribute such sum to the assets of the company by way of compensation in respect of the misapplication, retainer, misfeasance or breach of trust as the Court thinks just.

(2) This section shall apply notwithstanding that the offence is one for which the offender may be criminally responsible.

(3) The Indian Limitation Act, 1908, shall apply to an application IX of 1908. under this section as if such application were a suit.

Penalty for  
falsification  
of books.

**236.** If any director, manager, officer or contributory of any company being wound up destroys, mutilates, alters or falsifies or fraudulently secretes any books, papers or securities, or makes, or is privy to the making of, any false or fraudulent entry in any register book of account or document belonging to the company with intent to defraud or deceive any person, he shall be liable to imprisonment for a term which may extend to seven years, and shall also be liable to fine.

Prosecution  
of delinquent  
directors, etc.

**237.** (1) If it appears to the Court in the course of a winding up by or subject to the supervision of the Court that any past or present director, manager, officer or member of the company has been guilty of any offence in relation to the company for which he is criminally responsible, the Court may, on the application of any person interested in the winding up, or of its own motion, direct the official liquidator or the liquidator (as the case may be) to prosecute for the offence, and may order the costs and expenses to be paid out of the assets of the company.

(2) If it appears to the liquidator in the course of a voluntary winding up that any past or present director, manager, officer or member of the company has been guilty of any offence in relation to the company for which he is criminally responsible, the liquidator, with the previous sanction of the Court, may prosecute the offender, and all expenses properly incurred by him in the prosecution shall be payable out of the assets of the company in priority to all other liabilities.

Penalty for  
false evidence.

**238.** If any person, upon any examination upon oath authorised under this Act, or in any affidavit, deposition or solemn affirmation, in or about the winding up of any company under this Act, or otherwise in or about any matter arising under this Act, intentionally gives false evidence, he shall be liable to imprisonment for a term which may extend to seven years, and shall also be liable to fine.

Meetings to  
ascertain  
wishes of  
creditors or  
contribu-  
tories.

**239.** (1) Where by this Act the Court is authorised in relation to winding up to have regard to the wishes of creditors or contributories, as proved to it by any sufficient evidence, the Court may, if it thinks fit for the purpose of ascertaining those wishes, direct meetings of the creditors or contributories

to be called, held and conducted in such manner as the Court directs, and may appoint a person to act as chairman of any such meeting and to report the result thereof to the Court.

(2) In the case of creditors, regard shall be had to the value of each creditor's debt.

(3) In the case of contributories, regard shall be had to the number of votes conferred on each contributory by the articles.

**240.** Where any company is being wound up, all documents of the company and of the liquidators shall, as between the contributories of the company, be *prima facie* evidence of the truth of all matters purporting to be therein recorded. Documents of company to be evidence.

**241.** After an order for a winding up by or subject to the supervision of the Court, the Court may make such order for inspection by creditors and contributories of the company of its documents as the Court thinks just, and any documents in the possession of the company may be inspected by creditors or contributories accordingly, but not further or otherwise. Inspection of documents.

**242.** (1) When a company has been wound up and is about to be dissolved, the documents of the company and of the liquidators may be disposed of as follows (that is to say) :— Disposal of documents of company.

- (a) in the case of a winding up by or subject to the supervision of the Court, in such way as the Court directs ;
- (b) in the case of a voluntary winding up, in such way as the company by extraordinary resolution directs.

(2) After three years from the dissolution of the company, no responsibility shall rest on the company or the liquidators, or any person to whom the custody of the documents has been committed, by reason of the same not being forthcoming to any person claiming to be interested therein.

**243.** (1) Where a company has been dissolved, the Court may at any time within two years of the date of the dissolution, on an application being made for the purpose by the liquidator of the company or by any other person who appears to the Court to be interested, make an order, upon such terms as the Court thinks fit, declaring the dissolution to have been void, and thereupon such proceedings may be taken as might have been taken if the company had not been dissolved. Power of Court to declare dissolution of company void.

(2) It shall be the duty of the person on whose application the order was made, within twenty-one days after the making of the order, to file with the registrar a certified copy of the order, and if that person fails so to do, he shall be liable to a fine not exceeding fifty rupees for every day during which the default continues.

**244.** (1) Where a company is being wound up, if the winding up is not concluded within one year after its commencement, the liquidator shall, at such intervals as may be prescribed, until the winding up is concluded, file with the registrar a statement in the prescribed form and containing the prescribed particulars with respect to the proceedings in and position of the liquidation. Information as to pending liquidations.



(2) Any person stating himself in writing to be a creditor or contributory of the company shall be entitled, by himself or by his agent, at all reasonable times, on payment of the prescribed fee, to inspect the statement, and to receive a copy thereof or extract therefrom; but any person untruthfully so stating himself to be a creditor or contributory shall be deemed to be guilty of an offence under section 182 of the <sup>1</sup>Indian Penal Code, and shall be **XLV of 1860.** punishable accordingly on the application of the liquidator.

(3) If a liquidator fails to comply with the requirements of this section, he shall be liable to a fine not exceeding five hundred rupees for each day during which the default continues.

Court or  
person before  
whom affida-  
vit may be  
sworn.

**245.** (1) Any affidavit required to be sworn under the provisions or for the purposes of this Part may be sworn in British India, or elsewhere within the dominions of His Majesty, before any Court, Judge or person lawfully authorised to take and receive affidavits, or in any part of India other than British India before any Court authorised or continued by the Governor General in Council, or in any place outside His Majesty's dominions before any of His Majesty's Consuls or Vice-Consuls.

(2) All Courts, Judges, Justices, Commissioners, and persons acting judicially in British India shall take judicial notice of the seal or stamp or signature (as the case may be) of any such Court, Judge, person, Consul or Vice-Consul, attached, appended or subscribed to any such affidavit or to any other document to be used for the purposes of this Part.

#### Rules.

Power of  
High Court to  
make rules.

**246.** (1) The High Court may, from time to time, make rules consistent with this Act and with the <sup>2</sup>Code of Civil Procedure, 1908, concerning the mode **V of 1908.** of proceedings to be had for winding up a company in such Court and in the Courts subordinate thereto, and for giving effect to the provisions hereinbefore contained as to the reduction of the capital and the sub-division of the shares of a company.

(2) Without prejudice to the generality of the foregoing power, the High Court may by such rules enable or require all or any of the powers and duties conferred and imposed on the Court by this Act, in respect of the matters following, to be exercised or performed by the official liquidator, and subject to the control of the Court, that is to say, the powers and duties of the Court in respect of—

- (a) holding and conducting meetings to ascertain the wishes of creditors and contributories;
- (b) settling lists of contributories and rectifying the register of members where required, and collecting and applying the assets;

<sup>1</sup> Genl. Acts, Vol. I.

<sup>2</sup> Genl. Acts, Vol. VI.

- (c) requiring delivery of property or documents to the liquidator ;
- (d) making calls ;
- (e) fixing a time within which debts and claims must be proved :

Provided that the official liquidator shall not, without the special leave of the Court, rectify the register of members, and shall not make any call without the special leave of the Court.

*Removal of defunct Companies from Register.*

**247.** (1) Where the registrar has reasonable cause to believe that a company is not carrying on business or in operation, he shall send to the company by post a letter inquiring whether the company is carrying on business or in operation. Registrar may strike defunct company off register.

(2) If the registrar does not within one month of sending the letter receive any answer thereto, he shall within fourteen days after the expiration of the month send to the company by post a registered letter referring to the first letter, and stating that no answer thereto has been received and that, if an answer is not received to the second letter within one month from the date thereof, a notice will be published in the local official Gazette with a view to striking the name of the company off the register.

(3) If the registrar either receives an answer from the company to the effect that it is not carrying on business or in operation, or does not within one month after sending the second letter receive any answer he may publish in the local official Gazette, and send to the company by post a notice that, at the expiration of three months from the date of that notice, the name of the company mentioned therein will, unless cause is shown to the contrary, be struck off the register and the company will be dissolved.

(4) If, in any case where a company is being wound up, the registrar has reasonable cause to believe either that no liquidator is acting or that the affairs of the company are fully wound up, and the returns required to be made by the liquidator have not been made for a period of six consecutive months after notice by the registrar demanding the returns has been sent by post to the company, or to the liquidator at his last known place of business, the registrar may publish in the local official Gazette and send to the company a like notice as is provided in the last preceding sub-section.

(5) At the expiration of the time mentioned in the notice the registrar may unless cause to the contrary is previously shown by the company, strike its name off the register, and shall publish notice thereof in the local official Gazette and, on the publication in the local official Gazette of this notice, the company shall be dissolved: Provided that the liability (if any) of every director and member of the company shall continue and may be enforced as if the company had not been dissolved.

• (6) If a company or any member or creditor thereof feels aggrieved by the company having been struck off the register, the Court, on the application of the company or member or creditor, may, if satisfied that the company was

at the time of the striking off carrying on business or in operation, or otherwise that it is just that the company be restored to the register, order the name of the company to be restored to the register, and thereupon the company shall be deemed to have continued in existence as if its name had not been struck off; and the Court may by the order give such directions and make such provisions as seem just for placing the company and all other persons in the same position as nearly as may be as if the name of the company had not been struck off.

(7) A letter or notice under this section may be addressed to the company at its registered office, or, if no office has been registered, to the care of some director, manager or other officer of the company, or, if there is no director, manager or other officer of the company whose name and address are known to the registrar, may be sent to each of the persons who subscribed the memorandum, addressed to him at the address mentioned in the memorandum.

## PART VI.

### REGISTRATION OFFICE AND FEES.

Registration  
offices.

**248.** (1) For the purposes of the registration of companies under this Act, there shall be offices at such places as the Local Government thinks fit, and no company shall be registered except at an office within the province in which, by the memorandum, the registered office of the company is declared to be established.

(2) The Local Government may appoint such registrars and assistant registrars as it thinks necessary for the registration of companies under this Act, and may make regulations with respect to their duties.

(3) The salaries of the persons appointed under this section shall be fixed by the Local Government.

(4) The Local Government may direct a seal or seals to be prepared for the authentication of documents required for or connected with the registration of companies.

(5) Any person may inspect the documents kept by the registrar on payment of such fees as may be appointed by the Local Government, not exceeding one rupee for each inspection; and any person may require a certificate of the incorporation of any company, or a copy or extract of any other document or any part of any other document, to be certified by the registrar on payment for the certificate, certified copy or extract, of such fees as the Local Government may appoint, not exceeding three rupees for a certificate of incorporation, and not exceeding six annas for every hundred words or fractional part thereof required to be copied.

(6) Whenever any act is by this Act directed to be done to or by the registrar it shall, until the Local Government otherwise directs, be done to or by the existing registrar of joint-stock companies or in his absence to or by such

person as the Local Government may for the time being authorise ; but, in the event of the Local Government altering the constitution of the existing registry offices or any of them, any such act shall be done to or by such officer and at such place with reference to the local situation of the registered offices of the companies to be registered as the Local Government may appoint.

**249.** (1) There shall be paid to the registrar in respect of the several matters mentioned in Table B in the First Schedule the several fees therein specified, or such smaller fees as the Governor General in Council may direct.

(2) All fees paid to the registrar in pursuance of this Act shall be accounted for to the Crown.

## PART VII.

### APPLICATION OF ACT TO COMPANIES FORMED AND REGISTERED UNDER FORMER COMPANIES ACTS.

**250.** In the application of this Act to existing companies, it shall apply in the same manner in the case of a limited company, other than a company limited by guarantee, as if the company had been formed and registered under this Act as a company limited by shares ; in the case of a company limited by guarantee as if the company had been formed and registered under this Act as a company limited by guarantee ; and, in the case of a company other than a limited company, as if the company had been formed and registered under this Act as an unlimited company :

Provided that—

- (1) nothing in Table A in the First Schedule shall apply to a company formed and registered under Act XIX of 1857 and Act VII of 1860, or either of them, or under the Indian Companies Act, 1866, or the Indian Companies Act, 1882 ;
- (2) reference, express or implied, to the date of registration shall be construed as a reference to the date at which the company was registered under Act No. XIX of 1857 and Act No. VII of 1860, or either of them, or under the Indian Companies Act, 1866, or the Indian Companies Act, 1882, as the case may be.

**251.** This Act shall apply to every company registered but not formed under Act No. XIX of 1857 and Act No. VII of 1860 or either of them, or under the Indian Companies Act, 1866, or the Indian Companies Act, 1882, in the same manner as it is hereinafter in this Act declared to apply to companies registered but not formed under this Act :

Provided that reference, express or implied, to the date of registration shall be construed as a reference to the date at which the company was registered under the said Acts or any of them.

X of 1866.  
VI of 1882.

X of 1866.  
VI of 1882.

Application of Act to companies formed under former Companies Acts.

Application of Act to companies registered but not formed under former Companies Acts.

Mode of  
transferring.

**252.** A company registered under Act XIX of 1857 and Act VII of 1860 or either of them may cause its shares to be transferred in the manner hitherto in use, or in such other manner as the company may direct.

## PART VIII.

### COMPANIES AUTHORISED TO REGISTER UNDER THIS ACT.

Companies  
capable of  
being regis-  
tered.

**253.** (1) With the exceptions and subject to the provisions mentioned and contained in this section,—

- (i) any company consisting of seven or more members, which was in existence on the first day of May eighteen hundred and eighty-two, including any company registered under Act No. XIX of 1857 and Act No. VII of 1860 or either of them, and
- (ii) any company formed after the date aforesaid whether before or after the commencement of this Act, in pursuance of any Act of Parliament or Act of the Governor General in Council other than this Act, or of Letters Patent, or being otherwise duly constituted according to law, and consisting of seven or more members ;

may at any time register under this Act as an unlimited company or as a company limited by shares, or as a company limited by guarantee ; and the registration shall not be invalid by reason that it has taken place with a view to the company being wound up :

(2) Provided as follows :—

- (a) a company having the liability of its members limited by Act of Parliament or Act of the Governor General in Council or by Letters Patent, and not being a joint-stock company as hereinafter defined shall not register in pursuance of this section ;
- (b) a company having the liability of its members limited by Act of Parliament or Act of the Governor General in Council or by Letters Patent shall not register in pursuance of this section as an unlimited company or as a company limited by guarantee ;
- (c) a company that is not a joint-stock company as hereinafter defined shall not register in pursuance of this section as a company limited by shares ;
- (d) a company shall not register in pursuance of this section without the assent of a majority of such of its members as are present in person or by proxy (in cases where proxies are allowed by the articles) at a general meeting summoned for the purpose ;
- (e) where a company not having the liability of its members limited by Act of Parliament or Act of the Governor General in Council or by Letters Patent is about to register as a limited company,

the majority required to assent as aforesaid shall consist of not less than three-fourths of the members present in person or by proxy at the meeting ;

- (f) where a company is about to register as a company limited by guarantee, the assent to its being so registered shall be accompanied by a resolution declaring that each member undertakes to contribute to the assets of the company, in the event of its being wound up while he is a member, or within one year afterwards, for payment of the debts and liabilities of the company contracted before he ceased to be a member, and of the costs and expenses of winding up, and for the adjustment of the rights of the contributories among themselves such amount as may be required not exceeding a specified amount.

(3) In computing any majority under this section when a poll is demanded regard shall be had to the number of votes to which each member is entitled according to the articles.

VI of 1882.

(4) A company registered under the Indian Companies Act, 1882, shall not be registered in pursuance of this section.

**254.** For the purposes of this Part as far as relates to registration of companies as companies limited by shares, a joint-stock company means a company having a permanent paid up or nominal share capital of fixed amount divided into shares, also of fixed amount, or held and transferable as stock, or divided and held partly in one way and partly in the other, and formed on the principle of having for its members the holders of those shares or that stock, and no other persons ; and such a company, when registered with limited liability under this Act shall be deemed to be a company limited by shares.

Definition of  
" joint-stock  
company."

**255.** Before the registration in pursuance of this Part of a joint-stock company there shall be delivered to the registrar the following documents (that is to say) :—

Require-  
ments for  
registration  
by joint-  
stock com-  
panies.

- (1) a list showing the names, addresses and occupations of all persons who on a day named in the list, not being more than six clear days before the day of registration were members of the company, with the addition of the shares or stock held by them respectively, distinguishing, in cases where the shares are numbered, each share by its number :
- (2) a copy of any Act of Parliament, Act of the Governor General in Council, Royal Charter, Letters Patent, deed of settlement, contract of co-partnery or other instrument constituting or regulating the company ; and
- (3) if the company is intended to be registered as a limited company, a statement specifying the following particulars (that is to say) :—
  - (a) the nominal share capital of the company and the number of shares into which it is divided or the amount of stock of which it consists ;

- (b) the number of shares taken and the amount paid on each share ;
- (c) the name of the company, with the addition of the word " Limited " as the last word thereof ; and
- (d) in the case of a company intended to be registered as a company limited by guarantee, the resolution declaring the amount of the guarantee.

Require-  
ments for  
registration  
by other  
than joint-  
stock com-  
panies.

**256.** Before the registration in pursuance of this Part of any company not being a joint-stock company, there shall be delivered to the registrar—

- (1) a list showing the names, addresses and occupations of the directors of the company ; and
- (2) a copy of any Act of Parliament, Act of the Governor General in Council, Letters Patent, deed of settlement, contract of co-partnery or other instrument constituting or regulating the company ; and
- (3) in the case of a company intended to be registered as a company limited by guarantee, a copy of the resolution declaring the amount of the guarantee.

Authentica-  
tion of state-  
ment of  
existing com-  
panies.

**257.** The lists of members and directors and any other particulars relating to the company required to be delivered to the registrar shall be duly verified by the declaration of any two or more directors or other principal officers of the company.

Registrar  
may require  
evidence as  
to nature  
of company.  
On registra-  
tion of  
banking  
company  
with limited  
liability,  
notice to be  
given to  
customers.

**258.** The registrar may require such evidence as he thinks necessary for the purpose of satisfying himself whether any company proposing to be registered is or is not a joint-stock company as hereinbefore defined.

**259.** (1) Where a banking company, which was in existence on the first day of May eighteen hundred and eighty-two proposes to register as a limited company, it shall at least thirty days before so registering, give notice of its intention so to register to every person who has a banking account with the company, either by delivery of the notice to him, or by posting it to him at, or delivering it at, his last known address.

(2) If the company omits to give the notice required by this section, then as between the company and the person for the time being interested in the account in respect of which the notice ought to have been given, and so far as respects the account down to the time at which notice is given, but not further or otherwise, the certificate of registration with limited liability shall have no operation.

Exemption  
of certain  
companies  
from pay-  
ment of  
fees.

**260.** No fees shall be charged in respect of the registration in pursuance of this Part of a company if it is not registered as a limited company, or if before its registration as a limited company the liability of the shareholders was limited by some Act of Parliament or Act of the Governor General in Council or by Letters Patent.

**261.** When a company registers in pursuance of this Part with limited liability, the word "Limited" shall form and be registered as part of its name. Addition of "Limited" to name.

**262.** On compliance with the requirements of this Part with respect to registration, and on payment of such fees, if any, as are payable under Table B in the First Schedule, the registrar shall certify under his hand that the company applying for registration is incorporated as a company under this Act, and in the case of a limited company that it is limited, and thereupon the company shall be incorporated, and shall have perpetual succession and a common seal. Certificate of registration of existing companies.

**263.** All property, moveable and immoveable, including all interests and rights in, to and out of property, moveable and immoveable, and including obligations and actionable claims as may belong to or be vested in a company at the date of its registration in pursuance of this Part, shall, on registration, pass to and vest in the company as incorporated under this Act for all the estate and interest of the company therein. Vesting of property on registration.

**264.** The registration of a company in pursuance of this Part shall not affect the rights or liabilities of the company in respect of any debt or obligation incurred or any contract entered into, by, to, with, or on behalf of, the company before registration. Saving of existing liabilities.

**265.** All suits and other legal proceedings which at the time of the registration of a company in pursuance of this Part are pending by or against the company, or the public officer or any member thereof, may be continued in the same manner as if the registration had not taken place; nevertheless execution shall not issue against the effects of any individual member of the company on any decree or order obtained in any such suit or proceeding; but, in the event of the property and effects of the company being insufficient to satisfy the decree or order, an order may be obtained for winding up the company. Continuation of existing suits.

**266.** When a company is registered in pursuance of this Part—

- (i) all provisions contained in any Act of Parliament, Act of the Governor General in Council, deed of settlement, contract of partnership, Letters Patent, or other instrument constituting or regulating the company, including, in the case of a company registered as a company limited by guarantee, the resolution declaring the amount of the guarantee, shall be deemed to be conditions and regulations of the company, in the same manner and with the same incidence as if so much thereof as would, if the company had been formed under this Act, have been required to be inserted in the memorandum, were contained in a registered memorandum, and the residue thereof were contained in registered articles. Effect of registration under Act.
- (ii) all the provisions of this Act shall apply to the company and the members, contributories and creditors thereof, in the same manner in



all respects as if it had been formed under this Act, subject as follows (that is to say) :—

- (a) the regulations in Table A in the First Schedule shall not apply unless adopted by special resolution ;
  - (b) the provisions of this Act relating to the numbering of shares shall not apply to any joint-stock company whose shares are not numbered ;
  - (c) subject to the provisions of this section, the company shall not have power to alter any provision contained in any Act of Parliament or Act of the Governor General in Council relating to the company ;
  - (d) subject to the provisions of this section, the company shall not have power, without the sanction of the Governor General in Council, to alter any provision contained in any Letters Patent relating to the company ;
  - (e) the company shall not have power to alter any provision contained in a Royal Charter or Letters Patent with respect to the objects of the company ;
  - (f) in the event of the company being wound up, every person shall be a contributory, in respect of the debts and liabilities of the company contracted before registration, who is liable to pay or contribute to the payment of any debt or liability of the company contracted before registration, or to pay or contribute to the payment of any sum for the adjustment of the rights of the members among themselves in respect of any such debt or liability ; or to pay or contribute to the payment of the cost and expenses of winding up the company, so far as relates to such debts or liabilities as aforesaid ; and every contributory shall be liable to contribute to the assets of the company, in the course of the winding up, all sums due from him in respect of any such liability as aforesaid ; and in the event of the death or insolvency of any contributory, the provisions of this Act with respect to the legal representatives and heirs of deceased contributories, and with reference to the assignees of insolvent contributories, shall apply ;
- (iii) the provisions of this Act with respect to—
- (a) the registration of an unlimited company as limited ;
  - (b) the powers of an unlimited company on registration as a limited company to increase the nominal amount of its share capital and to provide that a portion of its share capital shall not be capable of being called up except in the event of winding up ;

(c) the power of a limited company to determine that a portion of its share capital shall not be capable of being called up except in the event of winding up ;

shall apply notwithstanding any provisions contained in any Act of Parliament, Act of the Governor General in Council, Royal Charter, deed of settlement, contract of co-partnery, Letters Patent or other instrument constituting or regulating the company ;

(iv) nothing in this section shall authorise the company to alter any such provisions contained in any deed of settlement, contract of co-partnery, Letters Patent or other instrument constituting or regulating the company, as would, if the company had originally been formed under this Act, have been required to be contained in the memorandum and are not authorised to be altered by this Act ;

(v) nothing in this Act shall derogate from any lawful power of altering its constitution or regulations which may by virtue of any Act of Parliament, Act of the Governor General in Council, deed of settlement, contract of co-partnery, Letters Patent or other instrument constituting or regulating the company, be vested in the company.

**267.** (1) Subject to the provisions of this section, a company registered, in pursuance of this Part may by special resolution alter the form of its constitution by substituting a memorandum and articles for a deed of settlement. Power to substitute memorandum and articles for deed of settlement.

(2) The provisions of this Act with respect to confirmation by the Court and registration of an alteration of the objects of a company shall, so far as applicable, apply to an alteration under this section with the following modifications :—

(a) there shall be substituted for the printed copy of the altered memorandum required to be filed with the registrar a printed copy of the substituted memorandum and articles ; and,

(b) on the registration of the alteration being certified by the registrar, the substituted memorandum and articles shall apply to the company in the same manner as if it were a company registered under this Act with that memorandum and those articles, and the company's deed of settlement shall cease to apply to the company.

(3) An alteration under this section may be made either with or without any alteration of the objects of the company under this Act.

(4) In this section the expression " deed of settlement " includes any contract of co-partnery or other instrument constituting or regulating the company, not being an Act of Parliament, an Act of the Governor General in Council, a Royal Charter or Letters Patent.

Power of Court to stay or restrain proceedings.

**268.** The provisions of this Act with respect to staying and restraining suits and legal proceedings against a company at any time after the presentation of a petition for winding up and before the making of a winding up order shall, in the case of a company registered in pursuance of this Part, where the application to stay or restrain is by a creditor, extend to suits and legal proceedings against any contributory of the company.

Suits stayed on winding up order.

**269.** Where an order has been made for winding up a company registered in pursuance of this Part, no suit or other legal proceeding shall be commenced or proceeded with against the company or any contributory of the company in respect of any debt of the company, except by leave of the Court, and subject to such terms as the Court may impose.

## PART IX.

### WINDING UP OF UNREGISTERED COMPANIES.

Meaning of "unregistered company."

**270.** For the purposes of this Part, the expression "unregistered company" shall not include a railway company incorporated by Act of Parliament or by an Act of the Governor General in Council, nor a company registered under the Indian Companies Act, 1866, or under any Act repealed **X** of 1866. thereby, or under the Indian Companies Act, 1882, or under this Act, but, **VI** of 1882. save as aforesaid, shall include any partnership, association or company consisting of more than seven members.

Winding up of unregistered companies.

**271.** (1) Subject to the provisions of this Part, any unregistered company may be wound up under this Act, and all the provisions of this Act with respect to winding up shall apply to an unregistered company, with the following exceptions and additions :—

- (i) an unregistered company shall, for the purpose of determining the Court having jurisdiction in the matter of the winding up, be deemed to be registered in the province where the principal place of business is situate or, if it has a principal place of business situate in more than one province, then in each province, where it has a principal place of business ; and the principal place of business situate in that province in which proceedings are being instituted shall, for all the purposes of the winding up, be deemed to be the registered office of the company ;
- (ii) no unregistered company shall be wound up under this Act voluntarily or subject to supervision ;
- (iii) the circumstances in which an unregistered company may be wound up are as follows (that is to say) :—
  - (a) if the company is dissolved, or has ceased to carry on business or is carrying on business only for the purpose of winding up its affairs ;
  - (b) if the company is unable to pay its debts ;

- (c) if the Court is of opinion that it is just and equitable that the company should be wound up ;
- (iv) an unregistered company shall, for the purposes of this Act, be deemed to be unable to pay its debts—
  - (a) if a creditor, by assignment or otherwise, to whom the company is indebted in a sum exceeding five hundred rupees then due, has served on the company, by leaving at its principal place of business, or by delivering to the secretary, or some director, manager or principal officer of the company, or by otherwise serving in such manner as the Court may approve or direct, a demand under his hand requiring the company to pay the sum so due, and the company has for three weeks after the service of the demand neglected to pay the sum, or to secure or compound for it to the satisfaction of the creditor ;
  - (b) if any suit or other legal proceeding has been instituted against any member for any debt or demand due or claimed to be due, from the company or from him in his character of member, and notice in writing of the institution of the suit or other legal proceeding having been served on the company by leaving the same at its principal place of business or by delivering it to the secretary, or some director, manager or principal officer of the company or by otherwise serving the same in such manner as the Court may approve or direct, the company has not within ten days after service of the notice paid, secured or compounded for the debt or demand, or procured the suit or other legal proceeding to be stayed, or indemnified the defendant to his reasonable satisfaction against the suit or other legal proceeding, and against all costs, damages and expenses to be incurred by him by reason of the same ;
  - (c) if execution or other process issued on a decree or order obtained in any Court in favour of a creditor against the company, or any member thereof as such, or any person authorised to be sued as nominal defendant on behalf of the company, is returned unsatisfied ; and
  - (d) if it is otherwise proved to the satisfaction of the Court that the company is unable to pay its debts.

(2) Nothing in this Part shall affect the operation of any enactment which provides for any partnership, association or company being wound up, or being wound up as a company or as an unregistered company, under any enactment repealed by this Act, except that references in any such first-mentioned enactment to any such repealed enactment shall be read as references to the corresponding provision (if any) of this Act.

Contribu-  
tories in  
winding up  
of unregis-  
tered com-  
panies.

**272.** (1) In the event of an unregistered company being wound up, every person shall be deemed to be a contributory who is liable to pay or contribute to the payment of any debt or liability of the company, or to pay or contribute to the payment of any sum for the adjustment of the rights of the members among themselves, or to pay or contribute to the payment of the costs and expenses of winding up the company, and every contributory shall be liable to contribute to the assets of the company all sums due from him in respect of any such liability as aforesaid.

(2) In the event of any contributory dying or being adjudged insolvent, the provisions of this Act with respect to the legal representatives and heirs of deceased contributories, and to the assignees of insolvent contributories shall apply.

Power to  
stay or  
restrain  
proceedings.

**273.** The provisions of this Act with respect to staying and restraining suits and legal proceedings against a company at any time after the presentation of a petition for winding up and before the making of a winding up order shall, in the case of an unregistered company, where the application to stay or restrain is by a creditor, extend to suits and legal proceedings against any contributory of the company.

Suits stayed  
on winding  
up order.

**274.** Where an order has been made for winding up an unregistered company, no suit or other legal proceedings shall be proceeded with or commenced against any contributory of the company in respect of any debt of the company, except by leave of the Court, and subject to such terms as the Court may impose.

Directions as  
to property  
in certain  
cases.

**275.** If an unregistered company has no power to sue and be sued in a common name, or if for any reason it appears expedient, the Court may by the winding up order, or by any subsequent order, direct that all or any part of the property, moveable or immoveable, including all interests and rights in, to and out of property, moveable and immoveable, and including obligations and actionable claims as may belong to the company or to trustees on its behalf, is to vest in the official liquidator by his official name, and thereupon the property or the part thereof specified in the order shall vest accordingly; and the official liquidator may, after giving such indemnity (if any) as the Court may direct, bring or defend in his official name any suit or other legal proceeding relating to that property, or necessary to be brought or defended for the purposes of effectually winding up the company and recovering its property.

Provisions  
of this Part  
cumulative.

**276.** The provisions of this Part with respect to unregistered companies shall be in addition to, and not in restriction of, any provisions hereinbefore in this Act contained with respect to winding up companies by the Court, and the Court or official liquidator may exercise any powers or do any act in the case of unregistered companies which might be exercised or done by it or him in winding up companies formed and registered under this Act; but an unregistered company shall not, except in the event of its

being wound up be deemed to be a company under this Act, and then only to the extent provided by this Part.

## PART X.

### COMPANIES ESTABLISHED OUTSIDE BRITISH INDIA.

**277.** (1) Every company incorporated outside British India which at the commencement of this Act has a place of business in British India, and every such company which after the commencement of this Act establishes such a place of business within British India shall, within six months from the commencement of this Act or within one month from the establishment of such place of business, as the case may be, file with the registrar in the province in which such place of business is situated,—

- (a) a certified copy of the charter, statutes or memorandum and articles of the company, or other instrument constituting or defining the constitution of the company, and, if the instrument is not written in the English language, a certified translation thereof ;
- (b) the full address of the registered or principal office of the company ;
- (c) a list of the directors and managers (if any) of the company ;
- (d) the names and addresses of some one or more persons resident in British India authorised to accept on behalf of the company service of process and any notices required to be served on the company ;

and, in the event of any alteration being made in any such instrument or in such address or in the directors or managers or in the names or addresses of any such persons as aforesaid, the company shall, within the prescribed time, file with the registrar a notice of the alteration.

(2) Any process or notice required to be served on the company shall be sufficiently served, if addressed to any person whose name has been so filed as aforesaid and left at or sent by post to the address which has been so filed.

(3) Every company to which this section applies shall in every year file with the registrar of the province in which the company has its principal place of business—

- (i) in a case where by the law, for the time being in force, of the country in which the company is incorporated such company is required to file with the public authority an annual balance-sheet,—a copy of that balance sheet ; or
- (ii) in a case where no such provision is made by the law, for the time being in force, of the country in which the company is incorporated,—such a statement in the form of a balance-sheet as such company would if it were a company formed and registered under this Act, be required to file in accordance with the provisions of this Act :

Provided that the Governor General in Council may, by<sup>1</sup> notification in the Gazette of India subject to such restrictions and conditions, if any, as he may therein prescribe, exempt any such company or any class of such companies from this requirement.

(4) Every company to which this section applies and which uses the word "Limited" as part of its name, shall—

- (a) in every prospectus inviting subscriptions for its share or debentures in British India state the country in which the company is incorporated ; and
- (b) conspicuously exhibit on every place where it carries on business in British India the name of the company and the country in which the company is incorporated in letters easily legible in English characters and also, if any place where it carries on business is beyond the local limits of the ordinary original civil jurisdiction of a High Court, in the characters of one of the vernacular languages used in that place ; and
- (c) have the name of the company and of the country in which the company is incorporated mentioned in legible English characters in all bill heads and letter paper, and in all notices, advertisements and other official publications of the company.

(5) If any company to which this section applies fails to comply with any of the requirements of this section, the company, and every officer or agent of the company, shall be liable to a fine not exceeding five hundred rupees or, in the case of a continuing offence, fifty rupees for every day during which the default continues.

(6) For the purposes of this section—

- (a) the expression "certified" means certified in the prescribed manner to be a true copy or a correct translation ;
- (b) the expression "place of business" includes a share transfer or share registration office ;
- (c) the expression "director" includes any person occupying the position of director, by whatever name called ; and
- (d) the expression "prospectus" means any prospectus, notice, circular, advertisement or other invitation, offering to the public for subscription or purchase any shares or debentures of the company.

(7) There shall be paid to the registrar for registering any document required by this section to be filed with him a fee of five rupees or such smaller fee as may be prescribed.

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<sup>1</sup> For notification exempting certain companies from the requirements of sub-section (3), See Gazette of India, 1914, Pt. I, p. 258.

## PART XL.

## SUPPLEMENTAL.

*Legal proceedings, offences, etc.*

**278.** (1) No Court inferior to that of a Presidency Magistrate or a <sup>Cognizance of offences.</sup> Magistrate of the first class shall try any offence against this Act.

(2) If any offence which by this Act is declared to be punishable by fine only is committed by any person within the local limits of the ordinary original civil jurisdiction of the High Courts of Judicature at Fort William, Madras and Bombay, such offence shall be punishable upon summary conviction by any Presidency Magistrate of the place at which such Court is held.

<sup>V of 1898.</sup> (3) Notwithstanding anything in the <sup>1</sup>Code of Criminal Procedure, 1898, every offence against this Act shall, for the purposes of the said Code, be deemed to be non-cognizable.

**279.** The Court imposing any fine under this Act may direct that the <sup>Applications of fines.</sup> whole or any part thereof be applied in or towards payment of the costs of the proceedings, or in or towards the rewarding of the person on whose information the fine is recovered,

**280.** Where a limited company is plaintiff or petitioner in any suit or other legal proceeding, any Court having jurisdiction in the matter may, if <sup>Power to require limited company to give security for costs</sup> it appears that there is reason to believe that the company will be unable to pay the costs of the defendant in his defence, require sufficient security to be given for those costs, and may stay all proceedings until the security is given.

**281.** If in any proceeding before any Court against a director of a company for negligence or breach of trust it appears to such Court that the <sup>Power of Court to grant relief in certain cases.</sup> director is or may be liable in respect of the negligence or breach of trust, but has acted honestly and reasonably, and ought fairly to be excused for the negligence or breach of trust, that Court may relieve him, either wholly or partly, from his liability on such terms as the Court may think proper.

**282.** Whoever in any return, report, certificate, balance-sheet or other document, required by or for the purposes of any of the provisions of this Act wilfully makes a statement false, in any material particular, knowing it to be false, shall be punishable with imprisonment of either description for a term which may extend to three years, and shall also be liable to fine. <sup>Penalty for false statement.</sup>

**283.** If any person or persons trade or carry on business under any name or title of which "Limited" is the last word, that person or those persons shall, unless duly incorporated with limited liability, be liable to a fine not exceeding fifty rupees for every day upon which that name or title has been used. <sup>Penalty for improper use of word "Limited."</sup>



Saving of  
pending  
proceedings  
for winding  
up.

**284.** The provisions of this Act with respect to winding up shall not apply to any company of which the winding up has commenced before the commencement of this Act, but every such company shall be wound up in the same manner and with the same incidents as if this Act had not been passed, and, for the purposes of the winding up, the Indian Companies Act, 1882, VI of 1882, shall be deemed to remain in full force.

Saving of  
document.

**285.** Every instrument of transfer or other document made before the commencement of this Act in pursuance of any enactment hereby repealed, shall be of the same force as if this Act had not been passed, and for the purposes of that instrument or document the repealed enactment shall be deemed to remain in full force.

Former  
registration  
offices, re-  
gisters, and  
registrars,  
continued.

**286. (1)** The offices existing at the commencement of this Act for registration of joint-stock companies shall be continued as if they had been established under this Act.

(2) Registers of companies kept in any such existing offices shall respectively be deemed part of the registers of companies to be kept under this Act.

(3) The existing registrars, assistant registrars and officers in those offices shall, during the pleasure of the Local Government, hold the offices and receive the salaries hitherto held and received by them, but subject to any regulations of the Local Government with regard to the execution of their duties.

Savings for  
Indian Life  
Assurance  
Companies  
Act, 1912,  
and Pro-  
vident In-  
surance  
Societies  
Act, 1912.  
Construction  
of "re-  
gistrar of  
joint-stock  
companies"  
in Act XXI  
of 1860.  
Act not to  
apply to  
Banks of  
Bengal,  
Madras or  
Bombay.  
Repeal of  
Acts and  
Savings.

**287.** Nothing in this Act shall affect the provisions of the <sup>1</sup>Indian Life Assurance Companies Act, 1912, or of the <sup>1</sup>Provident Insurance Societies Act, 1912. VI of 1912. V of 1912.

**288.** In sections 1 and 18 of <sup>2</sup>Act No. XXI of 1860 (for the registration of Literary Scientific and Charitable Societies), the words "registrar of joint-stock companies" shall be construed to mean the registrar under this Act.

**289.** Save as provided in sections 188 and 189, nothing in this Act shall be deemed to apply to the Bank of Bengal, the Bank of Madras and the Bank of Bombay.

**290. (1)** The enactments mentioned in the Fourth Schedule are hereby repealed to the extent specified in the fourth column thereof :

Provided that the repeal shall not affect—

(a) the incorporation of any company registered under any enactment hereby repealed ; nor

<sup>1</sup> *Supra*, pp. 264 and 256 respectively.

<sup>2</sup> Genl. Acts, Vol. I.

VI of 1882.

- (b) Table B in the Schedule annexed to Act No. XIX of 1857, or any part thereof, so far as the same applies to any company existing at the commencement of this Act ; nor
- (c) Table A in the First Schedule annexed to the Indian Companies Act, 1882, or any part thereof so far as the same applies to any company existing at the commencement of this Act.

(2) All fees directed, resolutions passed and other things duly done under any enactment hereby repealed, shall be deemed to have been directed, passed or done under this Act.

X of 1897.

(3) The mention of particular matters in this section or in any other section of this Act shall not prejudice the general application of section 6 of the <sup>1</sup>General Clauses Act, 1897, with regard to the effect of repeals.

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## SCHEDULES.

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### THE FIRST SCHEDULE.

(See sections 2, 17, 18, 79, 266.)

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#### TABLE A.

#### REGULATIONS FOR MANAGEMENT OF A COMPANY LIMITED BY SHARES.

##### *Preliminary.*

1. In these regulations, unless the context otherwise requires, expressions defined in the Indian Companies Act, 1913, or any statutory modification thereof in force at the date at which these regulations become binding on the company, shall have the meanings so defined ; and words importing the singular shall include the plural, and *vide versâ*, and words importing the masculine gender shall include females, and words importing persons shall include bodies corporate.

##### *Business.*

2. The directors shall have regard to the restrictions on the commencement of business imposed by section 103 of the Indian Companies Act, 1913, if, and so far as, those restrictions are binding upon the company.

##### *Shares.*

3. Subject to the provisions, if any, in that behalf of the memorandum of association of the company, and without prejudice to any special rights

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<sup>1</sup> Genl Acts, Vol IV.

previously conferred on the holders of existing shares in the company, any share in the company may be issued with such preferred, deferred or other special rights, or such restrictions, whether in regard to dividend, voting, return of share capital, or otherwise, as the company may from time to time by special resolution determine.

4. If at any time the share capital is divided into different classes of shares the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may be varied with the consent in writing of the holders of three-fourths of the issued shares of that class, or with the sanction of an extraordinary resolution passed at a separate general meeting of the holders of the shares of the class. To every such separate general meeting the provisions of these regulations relating to general meetings shall *mutatis mutandis* apply, but so that the necessary quorum shall be two persons at least holding or representing by proxy one-third of the issued shares of the class.

5. No share shall be offered to the public for subscription except upon the terms that the amount payable on application shall be at least five per cent of the nominal amount of the share; and the directors shall, as regards any allotment of shares, duly comply with such of the provisions of sections 101 and 104 of the Indian Companies Act, 1913, as may be applicable thereto.

6. Every person whose name is entered as a member in the register of members shall, without payment, be entitled to a certificate under the common seal of the company specifying the share or shares held by him and the amount paid up thereon: Provided that, in respect of a share or shares held jointly by several persons the company shall not be bound to issue more than one certificate, and delivery of a certificate for a share to one of several joint-holders shall be sufficient delivery to all.

7. If a share certificate is defaced, lost or destroyed, it may be renewed on payment of such fee, if any, not exceeding eight annas, and on such terms, if any, as to evidence and indemnity as the directors think fit.

8. No part of the funds of the company shall be employed in the purchase of, or in loans upon the security of, the company's shares.

#### *Lien.*

9. The company shall have a lien on every share (not being a fully-paid share) for all moneys (whether presently payable or not) called or payable at a fixed time in respect of that share, and the company shall also have a lien on all shares (other than fully-paid shares) standing registered in the name of a single person, for all moneys presently payable by him or his estate to the company; but the directors may at any time declare any share to be wholly or in part exempt from the provisions of this clause. The company's lien, if any, on a share shall extend to all dividends payable thereon.

10. The company may sell, in such manner as the director thinks fit, any shares on which the company has a lien, but no sale shall be made unless

some sum in respect of which the lien exists is presently payable, nor until the expiration of fourteen days after a notice in writing, stating and demanding payment of such part of amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share, or the person entitled by reason of his death or insolvency to the share.

11. The proceeds of the sale shall be applied in payment of such part of the amount in respect of which the lien exists as is presently payable, and the residue shall (subject to a like lien for sums not presently payable as existed upon the shares prior to the sale) be paid to the person entitled to the shares at the date of the sale. The purchaser shall be registered as the holder of the shares, and he shall not be bound to see to the application of the purchase-money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.

*Calls on shares.*

12. The directors may from time to time make calls upon the members in respect of any moneys unpaid on their shares, provided that no call shall exceed one-fourth of the nominal amount of the share, or be payable at less than one month from the last call; and each member shall (subject to receiving at least fourteen days' notice specifying the time or times of payments) pay to the company at the time or times so specified the amount called on his shares.

13. The joint-holders of a share shall be jointly and severally liable to pay all calls in respect thereof.

14. If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest upon the sum at the rate of five per cent per annum from the day appointed for the payment thereof to the time of the actual payment, but the directors shall be at liberty to waive payment of that interest wholly or in part.

15. The provisions of these regulations as to payment of interest shall apply in the case of non-payment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the amount of the share, or by way of premium, as if the same had become payable by virtue of a call duly made and notified.

16. The directors may make arrangements on the issue of shares for a difference between the holders in the amount of calls to be paid and in the times of payment.

17. The directors may, if they think fit, receive from any member willing to advance the same all or any part of the moneys uncalled and unpaid upon any shares held by him; and upon all or any of the moneys so advanced may (until the same would, but for such advance, become presently payable) pay interest at such rate (not exceeding, without the sanction of the company

in general meeting, six per cent) as may be agreed upon between the member paying the sum in advance and the directors.

*Transfer and transmission of shares.*

18. The instrument of transfer of any share in the company shall be executed both by the transferor and transferee, and the transferor shall be deemed to remain holder of the share until the name of the transferee is entered in the register of members in respect thereof.

19. Shares in the company shall be transferred in the following form, or in any usual or common form which the directors shall approve.

I, A B of , in consideration of the sum of rupees paid to me by C D of (hereinafter called "the said transferee"), do hereby transfer to the said transferee the share [or shares] numbered in the undertaking called the Company, Limited, to hold unto the said transferee, his executors, administrators and assigns, subject to the several conditions on which I held the same at the time of the execution thereof, and I, the said transferee, do hereby agree to take the said share [or shares] subject to the conditions aforesaid. As witness our hands the day of

Witness to the signatures of, etc.

20. The directors may decline to register any transfer of shares, not being fully paid shares, to a person of whom they do not approve, and may also decline to register any transfer of shares on which the company has a lien. The directors may also suspend the registration of transfers during the fourteen days immediately preceding the ordinary general meeting in each year. The directors may decline to recognise any instrument of transfer unless—

- (a) a fee not exceeding two rupees is paid to the company in respect thereof; and
- (b) the instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the directors may reasonably require to show the right of the transferor to make the transfer.

21. The executors or administrators of a deceased sole holder of a share shall be the only persons recognised by the company as having any title to the share. In the case of a share registered in the names of two or more holders, the survivors or survivor, or the executors or administrators of the deceased survivor, shall be the only persons recognised by the company as having any title to the share.

22. Any person becoming entitled to a share in consequence of the death or insolvency of a member shall, upon such evidence being produced as may from time to time be required by the directors, have the right, either to be registered as a member in respect of the share or, instead of being registered himself, to make such transfer of the share as the deceased or insolvent person could have made; but the directors shall, in either case, have the same right

to decline or suspend registration as they would have had in the case of a transfer of the share by the deceased or insolvent person before the death or insolvency.

23. A person becoming entitled to a share by reason of the death or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not, before being registered as a member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the company.

*Forfeiture of shares.*

24. If a member fails to pay any call or instalment of a call on the day appointed for payment thereof, the directors may, at any time thereafter during such time as any part of such call or instalment remains unpaid, serve a notice on him requiring payment of so much of the call or instalment as is unpaid, together with any interest which may have accrued.

25. The notice shall name a further day (not earlier than the expiration of fourteen days, from the date of the notice) on or before which the payment required by the notice is to be made, and shall state that, in the event of non-payment at or before the time appointed, the shares in respect of which the call was made will be liable to be forfeited.

26. If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the directors to that effect.

27. A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the directors think fit, and at any time before a sale or disposition the forfeiture may be cancelled on such terms as the directors think fit.

28. A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall, notwithstanding, remain liable to pay to the company all moneys which, at the date of forfeiture, were presently payable by him to the company in respect of the shares, but his liability shall cease if and when the company received payment in full of the nominal amount of the shares.

29. A duly verified declaration in writing that the declarant is a director of the company, and that a share in the company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share, and that declaration, and the receipt of the company for the consideration, if any given for the share on the sale or disposition thereof, shall constitute a good title to the share, and the person to whom the share is sold or disposed of shall be registered as the holder of the share and shall not be bound to see to the application of the purchase-money (if any), nor shall his title to the

share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share.

30. The provisions of these regulations as to forfeiture shall apply in the case of non-payment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the amount of the share, or by way of premium, as if the same had been payable by virtue of a call duly made and notified.

*Conversion of shares into stock.*

31. The directors may, with the sanction of the company previously given in general meeting, convert any paid-up shares into stock, and may with the like sanction re-convert any stock into paid-up shares of any denomination.

32. The holders of stock may transfer the same, or any part thereof in the same manner, and subject to the same regulations, as, and subject to which, the shares from which the stock arose might previously to conversion have been transferred, or as near thereto as circumstances admit; but the directors may from time to time fix the minimum amount of stock transferable, and restrict or forbid the transfer of fractions of that minimum, but the minimum shall not exceed the nominal amount of the shares from which the stock arose.

33. The holders of stock shall, according to the amount of the stock held by them have the same rights, privileges and advantages as regards dividends voting at meetings of the company, and other matters, as if they held the shares from which the stock arose, but no such privilege or advantage (except participation in the dividends and profits of the company) shall be conferred by any such aliquot part of stock as would not, if existing in shares, have conferred that privilege or advantage.

34. Such of the regulations of the company (other than those relating to share-warrants), as are applicable to paid-up shares shall apply to stock, and the words "share" and "shareholder" therein shall include "stock" and "stockholder."

*Share-warrants.*

35. The Company may issue share-warrants, and accordingly the directors may in their discretion, with respect to any share which is fully paid up, on application in writing signed by the person registered as holder of the share, and authenticated by such evidence (if any) as the directors may from time to time require as to the identity of the person signing the request, and on receiving the certificate (if any) of the share, and the amount of the stamp duty on the warrant and such fee as the directors may from time to time require, issue under the company's seal a warrant, duly stamped, stating that the bearer of the warrant is entitled to the shares therein specified, and may provide by coupons or otherwise for the payment of dividends, or other moneys on the shares included in the warrant.

36. A share-warrant shall entitle the bearer to the shares included in it and the share shall be transferred by the delivery of the share-warrant, and the provisions of the regulations of the company with respect to transfer and transmission of shares shall not apply thereto.

37. The bearer of a share-warrant shall, on surrender of the warrant to the company for cancellation, and on payment of such sum as the directors may from time to time prescribe, be entitled to have his name entered as a member in the register of members in respect of the shares included in the warrant.

38. The bearer of a share-warrant may at any time deposit the warrant at the office of the company, and so long as the warrant remains so deposited, the depositor shall have the same right of signing a requisition for calling a meeting of the company, and of attending and voting and exercising the other privileges of a member at any meeting held after the expiration of two clear days from the time of deposit, as if his name were inserted in the register of members as the holder of the shares included in the deposited warrant. Not more than one person shall be recognised as depositor of the share-warrant. The company shall, on two days' written notice, return the deposited share-warrant to the depositor.

39. Subject as herein otherwise expressly provided, no person shall, as bearer of a share-warrant, sign a requisition for calling a meeting of the company or attend, or vote or exercise any other privilege of a member at a meeting of the company, or be entitled to receive any notices from the company: but the bearer of a share-warrant shall be entitled in all other respects to the same privileges and advantages as if he were named in the register of members as the holder of the shares included in the warrant, and he shall be a member of the company.

40. The directors may from time to time make rules as to the terms on which (if they shall think fit) a new share-warrant or coupon may be issued by way of renewal in case of defacement, loss or destruction.

#### *Alteration of Capital.*

41. The directors may, with the sanction of an extraordinary resolution of the company increase the share capital by such sum, to be divided into shares of such amount, as the resolution shall prescribe.

42. Subject to any direction to the contrary that may be given by the resolution sanctioning the increase of share capital, all new shares shall, before issue, be offered to such persons as at the date of the offer are entitled to receive notices from the company of general meetings in proportion, as nearly as the circumstances admit, to the amount of the existing shares to which they are entitled. The offer shall be made by notice specifying the number of shares offered, and limiting a time within which the offer, if not accepted, will be deemed to be declined, and after the expiration of that time, or on the receipt of an intimation from the person to



whom the offer is made" that he declines to accept the shares offered, the directors may dispose of the same in such manner as they think most beneficial to the company. The directors may likewise dispose of any new shares which (by reason of the ratio which the new shares bear to shares held by persons entitled to an offer of new shares, cannot, in the opinion of the directors, be conveniently offered under this article.

43. The new shares shall be subject to the same provisions with reference to the payment of calls, lien, transfer, transmission, forfeiture and otherwise as the shares in the original share capital.

44. The company may, by special resolution,—

- (a) consolidate and divide its share capital into shares of larger amount than its existing shares ;
- (b) by sub-division of its existing shares or any of them, divide the whole or any part of its share capital into shares of smaller amount than is fixed by the memorandum of association, subject, nevertheless, to the provisions of paragraph (d) of sub-section (I) of section 50 of the Indian Companies Act, 1913 ;
- (c) cancel any shares which, at the date of the passing of the resolution have not been taken or agreed to be taken by any person ;
- (d) reduce its share capital in any manner and with, and subject to, any incident authorised, and consent required, by law.

#### *General Meetings.*

45. The statutory general meeting of the company shall be held within the period required by section 77 of the Indian Companies Act, 1913.

46. A general meeting shall be held once in every year at such time (not being more than fifteen months after the holding of the last preceding general meeting) and place as may be prescribed by the company in general meeting, or, in default, at such time in the month following that in which the anniversary of the company's incorporation occurs, and at such place as the directors shall appoint. In default of a general meeting being so held, a general meeting shall be held in the month next following, and may be called by any two members in the same manner as nearly as possible as that in which meetings are to be called by the directors.

47. The above-mentioned general meetings shall be called ordinary meetings; all other general meetings shall be called extraordinary.

48. The directors may, whenever they think fit, call an extraordinary general meeting, and extraordinary general meetings shall also be called on such requisition, or in default, may be called by such requisitionists, as provided by section 78 of the Indian Companies Act, 1913. If at any time there are not within British India sufficient directors capable of acting to form a quorum, any director or any two members of the company may call an extraordinary general meeting in the same manner as nearly as possible as that in which meetings may be called by the directors.

*Proceedings at General Meeting.*

49. Fourteen days' notice at the least (exclusive of the day on which the notice is served or deemed to be served, but inclusive of the day for which notice is given) specifying the place, the day and the hour of meeting and, in case of special business, the general nature of that business, shall be given in manner hereinafter mentioned, or in such other manner, if any, as may be prescribed by the company in general meeting, to such persons as are, under the regulations of the company, entitled to receive such notices from the company; but the non-receipt of the notice by any member shall not invalidate the proceedings at any general meeting.

50. All business shall be deemed special that is transacted at an extraordinary meeting, and all that is transacted at an ordinary meeting with the exception of sanctioning a dividend, the consideration of the accounts, balance-sheets and the ordinary report of the directors and auditors, the election of directors and other officers in the place of those retiring by rotation, and the fixing of the remuneration of the auditors.

51. No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business; save as herein otherwise provided, three members personally present shall be a quorum.

52. If within half an hour from the time appointed for the meeting a quorum is not present, the meeting if called upon the requisition of members, shall be dissolved; in any other case, it shall stand adjourned to the same day in the next week at the same time and place, and, if at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting, the members present shall be a quorum.

53. The chairman, if any, of the board of directors shall preside as chairman at every general meeting of the company.

54. If there is no such chairman, or if at any meeting he is not present within fifteen minutes after the time appointed for holding the meeting, or is unwilling to act as chairman, the members present shall choose some one of their number to be chairman.

55. The chairman may, with the consent of any meeting at which a quorum is present (and shall if so directed by the meeting), adjourn the meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. When a meeting is adjourned for ten days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. Save as aforesaid, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

56. At any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands, unless a poll is (before or on the declaration of the result of the show of hands) demanded by at least three members,

and unless a poll is so demanded, a declaration by the chairman that a resolution has, on a show of hands, been carried, or carried unanimously, or by a particular majority or lost, and an entry to that effect in the book of the proceedings of the company shall be conclusive evidence of the fact, without proof of the number or proportion of the votes recorded in favour of, or against, that resolution.

57. If a poll is duly demanded, it shall be taken in such manner as the chairman directs, and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.

58. In the case of an equality of votes, whether on a show of hands or on a poll, the chairman of the meeting at which the show of hands takes place or at which the poll is demanded, shall be entitled to a second or casting vote.

59. A poll demanded on the election of a chairman or on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken at such time as the chairman of the meeting directs.

#### *Votes of Members.*

60. On a show of hands every member present in person shall have one vote. On a poll every member shall have one vote for each share of which he is the holder.

61. In the case of joint-holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint-holders; and for this purpose seniority shall be determined by the order in which the names stand in the register of members.

62. A member of unsound mind, or in respect of whom an order has been made by any Court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian and any such committee or guardian may, on a poll, vote by proxy.

63. No member shall be entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of shares in the company have been paid.

64. On a poll votes may be given either personally or by proxy: Provided that no company shall vote by proxy as long as a resolution of its directors in accordance with the provisions of section 80 of the Indian Companies Act, 1913, is in force.

65. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing, or, if the appointor is a corporation, either under the common seal, or under the hand of an officer or attorney so authorised. No person shall act as a proxy unless either he is entitled on his own behalf to be present and vote at the meeting at which he acts as proxy, or he has been appointed to act at that meeting as proxy for a corporation.

66. The instrument appointing a proxy and the power-of-attorney or other authority (if any), under which it is signed or a notarially certified copy of that power or authority shall be deposited at the registered office of the company not less than seventy-two hours before the time for holding the meeting at which the person named in the instrument proposes to vote, and in default the instrument of proxy shall not be treated as valid.

67. An instrument appointing a proxy may be in the following form, or in any other form which the directors shall approve :—

Company, Limited.

“ I                      of                      in the district of                      , being a member of the                      Company, Limited, hereby appoint                      of                      as my proxy to vote for me and on my behalf at the [ordinary or extraordinary, as the case may be] general meeting of the company to be held on the                      day of                      and at any adjournment thereof.”

Signed this                      day of

*Directors.*

68. The number of the directors and the names of the first directors shall be determined in writing by a majority of the subscribers of the memorandum of association.

69. The remuneration of the directors shall from time to time be determined by the company in general meeting.

70. The qualification of a director shall be the holding of at least one share in the company, and it shall be his duty to comply with the provisions of section 85 of the Indian Companies Act, 1913.

*Powers and duties of Directors.*

71. The business of the company shall be managed by the directors, who may pay all expenses incurred in getting up and registering the company, and may exercise all such powers of the company as are not, by the Indian Companies Act, 1913, or any statutory modification thereof for the time being in force, or by these articles, required to be exercised by the company in general meeting, subject nevertheless to any regulation of these articles, to the provisions of the said Act, and to such regulations being not inconsistent with the aforesaid regulations or provisions, as may be prescribed by the company in general meeting ; but no regulation made by the company in general meeting shall invalidate any prior act of the directors which would have been valid if that regulation had not been made.

72. The directors may from time to time appoint one or more of their body to the office of managing director or manager for such term, and at such remuneration (whether by way of salary, or commission, or participation in profits, or partly in one way and partly in another) as they may think fit,

and a director so appointed shall not, while holding that office, be subject to retirement by rotation, or taken into account in determining the rotation of retirement of directors, but his appointment shall be subject to determination *ipso facto* if he ceases from any cause to be a director, or if the company in general meeting resolve that his tenure of the office of managing director or manager be determined.

73. The amount for the time being remaining undischarged of moneys borrowed or raised by the directors for the purposes of the company (otherwise than by the issue of share capital) shall not at any time exceed the issued share capital of the company without the sanction of the company in general meeting.

74. The directors shall duly comply with the provisions of the Indian Companies Act, 1913, or any statutory modification thereof for the time being in force, and in particular with the provisions in regard to the registration of the particulars of mortgages and charges affecting the property of the company or created by it, and to keeping a register of the directors, and to sending to the registrar an annual list of members, and a summary of particulars relating thereto and notice of any consolidation or increase of share capital, or conversion of shares into stock, and copies of special resolutions and a copy of the register of directors and notifications of any changes therein.

75. The director shall cause minutes to be made in books provided for the purpose—

- (a) of all appointments of officers made by the directors ;
- (b) of the names of the directors present at each meeting of the directors and of any committee of the directors ;
- (c) of all resolutions and proceedings at all meetings of the company, and, of the directors, and of committees of directors ;

and every director present at any meeting of directors or committee of directors shall sign his name in a book to be kept for that purpose.

#### *The Seal.*

76. The seal of the company shall not be affixed to any instrument except by the authority of a resolution of the board of directors, and in the presence of at least two directors and of the secretary or such other person as the directors may appoint for the purpose ; and those two directors and secretary or other person as aforesaid shall sign every instrument to which the seal of the company is so affixed in their presence.

#### *Disqualifications of Directors.*

77. The office of director shall be vacated if the director—

- (a) ceases to be a director by virtue of section 85 of the Indian Companies Act, 1913, or

- (b) holds or any partner of his, or the firm of which he is a member, holds any other office of profit under the company except that of managing director or manager ; or
- (c) is adjudged insolvent ; or
- (d) is found lunatic or becomes of unsound mind ; or
- (e) is concerned or participates in the profits of any contract with the company ; or
- (f) is punished with imprisonment for a term exceeding six months :

Provided, however, that no director shall vacate his office by reason of his being a member of any company which has entered into contracts with, or done any work for, the company of which he is director, but a director shall not vote in respect of any such contract or work, and if he does so vote, his vote shall not be counted.

*Rotation of Directors.*

78. At the first ordinary meeting of the company, the whole of the directors shall retire from office, and at the ordinary meeting in every subsequent year, one-third of the directors for the time being or, if their number is not three or a multiple of three, then the number nearest to one-third shall retire from office.

79. The directors to retire in every year shall be those who have been longest in office since their last election but as between persons who became directors on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot.

80. A retiring director shall be eligible for re-election.

81. The company at the general meeting at which a director retires in manner aforesaid may fill up the vacated office by electing a person thereto.

82. If at any meeting at which an election of directors ought to take place, the places of the vacating directors are not filled up, the meeting shall stand adjourned till the same day in the next week at the same time and place, and, if at the adjourned meeting the places of the vacating directors are not filled up, the vacating directors or such of them as have not had their places filled up shall be deemed to have been re-elected at the adjourned meeting.

83. The Company may from time to time in general meeting increase or reduce the number of directors, and may also determine in what rotation the increased or reduced number is to go out of office.

84. Any casual vacancy occurring on the board of directors may be filled up by the directors, but the person so chosen shall be subject to retirement at the same time as if he had become a director on the day on which the director in whose place he is appointed was last elected a director.

85. The directors shall have power at any time, and from time to time, to appoint a person as an additional director who shall retire from office at the next following ordinary general meeting, but shall be eligible for election by the company at that meeting as an additional director.

86. The Company may by extraordinary resolution remove any director before the expiration of his period of office, and may by an ordinary resolution appoint another person in his stead; the person so appointed shall be subject to retirement at the same time as if he had become a director on the day on which the director in whose place he is appointed was last elected a director.

*Proceedings of Directors.*

87. The directors may meet together for the despatch of business, adjourn and otherwise regulate their meetings, as they think fit. Questions arising at any meeting shall be decided by a majority of votes. In case of an equality of votes, the chairman shall have a second or casting vote. A director may, and the secretary on the requisition of a director shall, at any time, summon a meeting of directors.

88. The quorum necessary for the transaction of the business of the directors may be fixed by the directors, and unless so fixed shall (when the number of directors exceeds three) be three.

89. The continuing directors may act notwithstanding any vacancy in their body, but, if and so long as their number is reduced below the number fixed by or pursuant to the regulations of the company as the necessary quorum of directors, the continuing directors may act for the purpose of increasing the number of directors to that number, or of summoning a general meeting of the company, but for no other purpose.

90. The directors may elect a chairman of their meetings and determine the period for which he is to hold office; but if no such chairman is elected, or if at any meeting the chairman is not present within five minutes after the time appointed for holding the same the directors present may choose one of their number to be chairman of the meeting.

91. The directors may delegate any of their powers to committees consisting of such member or members of their body as they think fit; any committee so<sup>1</sup>[formed] shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed on them by the directors.

92. A committee may elect a chairman of their meetings: if no such chairman is elected or if at any meeting the chairman is not present within five minutes after the time appointed for holding the same, the members present may choose one of their number to be chairman of the meeting.

93. A committee may meet and adjourn as they think proper. Questions arising at any meeting shall be determined by a majority of votes of the members present, and in case of an equality of votes, the chairman shall have a second or casting vote.

94. All acts done by any meeting of the directors or of a committee of directors, or by any person acting as a director, shall, notwithstanding that it be afterwards discovered that there was some defect in the appointment of any such directors or persons acting as aforesaid, or that they or any of them

<sup>1</sup> Substituted for "found" by the Repealing and Amending Act, 1914 (10 of 1914) Sch. I.

were disqualified, be as valid as if every such person had been duly appointed and was qualified to be a director.

*Dividends and Reserve.*

95. The company in general meeting may declare dividends, but no dividends shall exceed the amount recommended by the directors.

96. The directors may from time to time pay to the members such interim dividends as appear to the directors to be justified by the profits of the company.

97. No dividends shall be paid otherwise than out of profits.

98. Subject to the rights of persons (if any) entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid on the shares, but if and so long as nothing is paid up on any of the shares in the company, dividends may be declared and paid according to the amounts of the shares. No amount paid on a share in advance of calls shall while carrying interest, be treated for the purposes of this article as paid on the share.

99. The directors may, before recommending any dividend, set aside out of the profits of the company such sums as they think proper as a reserve or reserves which shall, at the discretion of the directors, be applicable for meeting contingencies, or for equalizing dividends, or for any other purpose to which the profits of the company may be properly applied, and pending such applications may, at the like discretion, either be employed in the business of the company or be invested in such investments (other than shares of the company) as the directors may from time to time think fit.

100. If several persons are registered as joint-holders of any share anyone of them may give effectual receipts for any dividend payable on the share.

101. Notice of any dividend that may have been declared shall be given in manner hereinafter mentioned to the persons entitled to share therein.

102. No dividend shall bear interest against the company.

*Accounts.*

103. The directors shall cause true accounts to be kept—

- (a) of the sums of money received and expended by the company, and the matter in respect of which such receipt and expenditure takes place; and
- (b) of the assets and liabilities of the company.

104. The books of account shall be kept at the registered office of the company, or at such other place or places as the directors think fit, and shall always be open to the inspection of the directors.

105. The directors shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations the accounts and books of the company or any of them shall be open to the



inspection of members not being directors, and no member (not being a director) shall have any right of inspecting any account or book or document of the company except as conferred by law or authorised by the directors or by the company in general meeting.

106. Once at least in every year the directors shall lay before the company in general meeting a profit and loss account for the period since the preceding account or (in the case of the first account) since the incorporation of the company, made up to a date not more than six months before such meeting.

107. The profit and loss account shall show, arranged under the most convenient heads, the amount of gross income, distinguishing the several sources from which it has been derived, and the amount of gross expenditure distinguishing the expenses of the establishment, salaries and other like matters. Every item of expenditure fairly chargeable against the year's income shall be brought into account, so that a just balance of profit and loss may be laid before the meeting, and, in cases where any item of expenditure which may in fairness be distributed over several years has been incurred in any one year, the whole amount of such item shall be stated, with the addition of the reasons why only a portion of such expenditure is charged against the income of the year.

108. A balance-sheet shall be made out in every year and laid before the company in general meeting made up to a date not more than six months before such meeting. The balance-sheet shall be accompanied by a report of the directors as to the state of the company's affairs, and the amount which they recommend to be paid by way of dividend, and the amount (if any) which they propose to carry to a reserve fund.

109. A copy of the balance-sheet and report shall, seven days previously to the meeting, be sent to the persons entitled to receive notices of general meetings in the manner in which notices are to be given hereunder.

110. The directors shall in all respects comply with the provisions of sections 130 to 135 of the Indian Companies Act, 1913, or any statutory modification thereof for the time being in force.

#### *Audit.*

111. Auditors shall be appointed and their duties regulated in accordance with sections 144 and 145 of the Indian Companies Act, 1913, or any statutory modification thereof for the time being in force.

#### *Notices.*

112. (1) A notice may be given by the company to any member either personally or by sending it by post to him to his registered address or (if he has no registered address in British India) to the address, if any, within British India supplied by him to the company for the giving of notices to him.

(2) Where a notice is sent by post, service of the notice shall be deemed to be effected by properly addressing, prepaying and posting a letter containing the notice and, unless the contrary is proved, to have been effected at the time at which the letter would be delivered in the ordinary course of post.

113. If a member has no registered address in British India, and has not supplied to the company an address within British India for the giving of notices to him, a notice addressed to him and advertised in a newspaper circulating in the neighbourhood of the registered office of the company shall be deemed to be duly given to him on the day on which the advertisement appears.

114. A notice may be given by the company to the joint-holders of a share by giving the notice to the joint-holder named first in the register in respect of the share.

115. A notice may be given by the company to the persons entitled to a share in consequence of the death or insolvency of a member by sending it through the post in a prepaid letter addressed to them by name, or by the title of representatives of the deceased, or assignee of the insolvent or by any like description, at the address (if any) in British India supplied for the purpose by the persons claiming to be so entitled, or (until such an address has been so supplied) by giving the notice in any manner in which the same might have been given if the death or insolvency had not occurred.

116. Notice of every general meeting shall be given in some manner herebefore authorised to (a) every member of the company (including bearers of share-warrants) except those members who (having no registered address within British India) have not supplied to the company an address within British India for the giving of notices to them, and also to (b) every person entitled to a share in consequence of the death or insolvency of a member, who but for his death or insolvency would be entitled to receive, notice of the meeting. No other persons shall be entitled to receive notices of general meetings.

#### TABLE B.

(See sections 249 and 262.)

##### TABLE OF FEES TO BE PAID TO THE REGISTRAR.

###### *I.—By a company having a share capital.*

	Rs.	A.	P.
1. For registration of a company whose nominal share capital does not exceed Rs. 20,000, a fee of . . . .	40	0	0
2. For registration of a company whose nominal share capital exceeds Rs. 20,000, the above fee of forty rupees, with the following additional fees regulated according to the amount of nominal capital (that is to say):—			
For every 10,000 rupees of nominal share capital, or part of 10,000 rupees, after the first 20,000 rupees up to 50,000 rupees . . . . .	20	0	0

## —By a company having a share capital—contd.

	Rs. A. P.
For every 10,000 rupees of nominal share capital, or part of 10,000 rupees, after the first 50,000 rupees up to 10,00,000 rupees . . . . .	5 0 0
For every 10,000 rupees of nominal share capital, or part of 10,000 rupees, after the first 10,00,000 rupees . . . . .	1 0 0
3. For registration of any increase of share capital made after the first registration of the company, the same fees per 10,000 rupees or, part of 10,000 rupees, as would have been payable if such increased share capital had formed part of the original share capital at the time of registration :	
Provided that no company shall be liable to pay in respect of nominal share capital on registration, or afterwards, any greater amount of fees than 1,000 rupees taking into account, in the case of fees payable on an increase of share capital after registration, the fees paid on registration.	
4. For registration of any existing company, except such companies as are by this Act, exempted from payment of fees in respect of registration under this Act, the same fee as is charged for registering a new company.	
5. For filing any document by this Act required or authorised to be filed, other than the memorandum or the abstract required to be filed with the registrar by a receiver or the statement required to be filed with the registrar by the liquidator in a winding up . . . . .	5 0 0
6. For making a record of any fact by this Act authorised or required to be recorded by the registrar, a fee of . . . . .	5 0 0

## II.—By a company not having a share capital.

	Rs. A. P.
1. For registration of a company whose number of members, as stated in the articles of association, does not exceed 20 . . . . .	40 0 0
2. For registration of a company whose number of members as stated in the articles of association, exceeds 20, but does not exceed 100 . . . . .	100 0 0
3. For registration of a company whose number of members, as stated in the articles of association, exceeds 100, but is not stated to be unlimited, the above fee of Rs. 100 with an additional Rs. 5 for every 50 members, or less number than 50 members, after the first 100.	
4. For registration of a company in which the number of members is stated in the articles of association to be unlimited, a fee of . . . . .	400 0 0
5. For registration of any increase on the number of members made after the registration of the company, the same fees as would have been payable if such increase had been stated in the articles of association at the time of registration . . . . .	5 0 0
Provided that no one company shall be liable to pay on the whole a greater fee than Rs. 400 in respect of its number of members, taking into account the fee paid on the first registration of the company.	

*II.—By a company not having a share capital—concl'd.*

Rs. A. P.

6. For registration of any existing company except such companies as are by this Act exempted from payment of fees in respect of registration under this Act, the same fee as is charged for registering a new company.
7. For filing any document by this Act required or authorised to be filed, other than the memorandum or the abstract required to be filed with the registrar by a receiver or the statement required to be filed with the registrar by the liquidator in a winding up . . . . . 5 0 0
8. For making a record of any fact by this Act authorised or required to be recorded by the registrar, a fee of . . . . . 5 0 0

## THE SECOND SCHEDULE.

(See section 98.)

## STATEMENT IN LIEU OF PROSPECTUS.

filed by

LIMITED.

pursuant to section 98 of the Indian Companies Act, 1913.

Presented for filing by

THE INDIAN COMPANIES ACT, 19 .

LIMITED.

## STATEMENT IN LIEU OF PROSPECTUS.

The nominal share capital of the company . . . .	Rs.
Divided into . . . . .	Shares of Rs. each.
	" " "
	" " "
Names, descriptions and addresses of directors or proposed directors and of the managers or proposed managers.	
Minimum subscription (if any) fixed by the memorandum or articles of association on which the company may proceed to allotment.	

STATEMENT IN LIEU OF PROSPECTUS—*contd.*

Number and amount of shares and debentures agreed to be issued as fully or partly paid up otherwise than in cash.	1. Rs. <span style="float: right;">shares of fully paid.</span>										
The consideration for the intended issue of those shares and debentures.	2. shares upon which Rs. per share credited as paid. 3. debenture Rs. 4. Consideration.										
Names and addresses of (a) vendors of property purchased or acquired, (b) or proposed to be purchased or acquired by the company.											
Amount (in cash, shares or debentures) payable to each separate vendor.											
Amount (if any) paid or payable (in cash or shares or debentures) for any such property, specifying amount (if any) paid or payable for goodwill.	<table border="0"> <tr> <td>Total purchase price</td> <td>Rs.</td> </tr> <tr> <td>Cash</td> <td>"</td> </tr> <tr> <td>Shares</td> <td>"</td> </tr> <tr> <td>Debentures</td> <td>"</td> </tr> <tr> <td>Goodwill</td> <td>Rs.</td> </tr> </table>	Total purchase price	Rs.	Cash	"	Shares	"	Debentures	"	Goodwill	Rs.
Total purchase price	Rs.										
Cash	"										
Shares	"										
Debentures	"										
Goodwill	Rs.										
Amount (if any) paid or payable as commission for subscribing or agreeing to subscribe or procuring or agreeing to procure subscriptions for any shares or debentures in the company or	Amount paid. " payable.										
Rate of the commission	Rate per cent.										
Estimated amount of preliminary expenses	Rs.										
Amount paid or intended to be paid to any promoter. Consideration for the payment	Name of promoter Amount Rs. Consideration :—										
Dates of, and parties to every material contract (other than contracts entered into in the ordinary course of the business intended to be carried on by the company or entered into more than two years before the filing of this statement).											
Time and place at which the contracts or copies thereof may be inspected.											
Names and addresses of the auditors of the company (if any).											

(a) For definition of vendor, see section 94 of the Indian Companies Act, 1913.

(b) See section 95 of the Indian Companies Act, 1913.

STATEMENT IN LIEU OF PROSPECTUS—*concl'd.*

Full particulars of the nature and extent of the interest of every director in the promotion of or in the property proposed to be acquired by the company, or, where the interest of such a director consists in being a partner in a firm, the nature and extent of the interest of the firm, with a statement of all sums paid or agreed to be paid to him or to the firm in cash or shares, or otherwise by any person either to induce him to become, or to qualify him as a director, or otherwise for services rendered by him or by the firm in connection with the promotion or formation of the company.

Whether the articles contain any provisions precluding holders of shares or debentures receiving and inspecting balance-sheets or reports of the auditors or other reports.

Nature of the provisions.

(Signature of the persons above-named as directors or proposed directors, or of their agents authorised in writing.)

## THE THIRD SCHEDULE.

## FORM A.

(See sections 6 and 151.)

## MEMORANDUM OF ASSOCIATION OF A COMPANY LIMITED BY SHARES.

- 1st.—The name of the company is "The Eastern Steam Packet Company, Limited."
- 2nd.—The registered office of the company will be situate in the Province of Bombay.
- 3rd.—The objects for which the company is established are "the conveyance of passengers and goods in ships or boats between such places as the company may from time to time determine, and the doing all such other things as are incidental or conducive to the attainment of the above object."
- 4th.—The liability of the members is limited.
- 5th.—The share capital of the company is two hundred thousand rupees, divided into one thousand shares of two hundred rupees each.

We, the several persons whose names and addresses are subscribed, are desirous of being formed into a company in pursuance of this memorandum of association, and we respectively agree to take the number of shares in the capital of the company set opposite our respective names.

Names, addresses and descriptions of subscribers.	Number of shares taken by each subscriber.
1. A. B. of, merchant . . . . .	200
2. C. D., „ „ . . . . .	25
3. E. F., „ „ . . . . .	30
4. G. H., „ „ . . . . .	40
5. I. J., „ „ . . . . .	15
6. K. L., „ „ . . . . .	5
7. M. N. „ „ . . . . .	10
TOTAL SHARES TAKEN	325

Dated the            day of            19 .

Witness to the above signatures.

X. Y., of

### FORM B.

(See sections 7 and 151.)

#### MEMORANDUM AND ARTICLES OF ASSOCIATION OF A COMPANY LIMITED BY GUARANTEE, AND NOT HAVING A SHARE CAPITAL.

##### *Memorandum of Association.*

1st.—The name of the company is “The Mutual Calcutta Marine Association, Limited.”

2nd.—The registered office of the company will be situate in Calcutta.

3rd.—The objects for which the company is established are “the mutual insurance of ships belonging to members of the company, and the doing all such other things as are incidental or conducive to the attainment of the above object.”

4th.—The liability of the members is limited.

5th.—Every member of the company undertakes to contribute to the assets of the company in the event of its being wound up while he is a member, or within one year afterwards, for payment of the debts and liabilities of the company contracted before he ceases to be a member, and the costs, charges and expenses of winding up and for the adjustment of the rights of the contributories among themselves, such amount as may be required not exceeding one hundred rupees.

We, the several persons whose names and addresses are subscribed, are desirous of being formed into a company, in pursuance of this memorandum of association.

*Names, addresses and Descriptions of Subscribers.*

" 1. A. B. of

" 2. C. D. of

" 3. E. F. of

" 4. G. H. of

" 5. I. J. of

" 6 K. L. of

" 7. M. N. of

Dated the                      day of

Witness to the above signatures.

X. Y., of                      .

ARTICLES OF ASSOCIATION TO ACCOMPANY PRECEDING MEMORANDUM OF ASSOCIATION.

*Number of Members.*

1. The company for the purpose of registration is declared to consist of five hundred members.

2. The directors hereinafter mentioned may, whenever the business or the association requires it, register an increase of members.

*Definition of Members.*

3. Every person shall be deemed to have agreed to become a member of the company who insures any ship or share in a ship in pursuance of the regulations hereinafter contained.

*General Meetings.*

4. The first general meeting shall be held at such time not being less than one month nor more than three months after the incorporation of the company, and at such place, as the directors may determine.



5. A general meeting shall be held once in every year at such time (not being more than fifteen months after the holding of the last preceding general meeting) and place as may be prescribed by the company in general meeting, or, in default, at such time in the month following that in which the anniversary of the company's incorporation occurs, and at such place as the directors shall appoint. In default of a general meeting being so held, a general meeting shall be held, in the month next following, and may be called by any two members in the same manner as nearly as possible as that in which meetings are to be called by the directors.

6. The above-mentioned general meetings shall be called ordinary meetings; all other general meetings shall be called extraordinary.

7. The directors may, whenever they think fit, and shall, on a requisition made in writing by any five or more members, call an extraordinary general meeting.

8. Any requisition made by the members must state the object of the meeting proposed to be called, and must be signed by the requisitionists and deposited at the registered office of the company.

9. On receipt of the requisition the directors shall forthwith proceed to call a general meeting: if they do not proceed to cause a meeting to be held within twenty-one days from the date of the requisition being so deposited, the requisitionists or any other five members may themselves call a meeting.

#### *Proceedings at General Meetings.*

10. Fourteen days' notice at the least, specifying the place, the day and the hour of meeting and in case of special business the general nature of the business, shall be given to the members in manner hereinafter mentioned, or in such other manner (if any) as may be prescribed by the company in general meeting; but the non-receipt of such a notice by any member shall not invalidate the proceedings at any general meeting.

11. All business shall be deemed special that is transacted at an extraordinary meeting, and all that is transacted at an ordinary meeting, with the exception of the consideration of the accounts, balance-sheets and the ordinary report of the directors and auditors, the election of directors and other officers in the place of those retiring by rotation, and the fixing of remuneration of the auditors.

12. No business shall be transacted at any meeting except the declaration of a dividend, unless a quorum of members is present at the commencement of the business. The quorum shall be ascertained as follows (that is to say):— if the members of the company at the time of the meeting do not exceed ten in number, the quorum shall be five; if they exceed ten, there shall be added to the above quorum one for every five additional members with this limitation, that no quorum shall in any case exceed ten.

13. If within one hour from the time appointed for the meeting a quorum of members is not present, the meeting, if called on the requisition of the mem-

bers, shall be dissolved ; in any other case it shall stand adjourned to the same day in the following week at the same time and place ; and if at such adjourned meeting a quorum of members is not present, it shall be adjourned *sine die*.

14. The chairman (if any) of the directors shall preside as chairman at every general meeting of the company.

15. If there is no such chairman, or if at any meeting he is not present at the time of holding the same, the members present shall choose some one of their number to be chairman of that meeting.

16. The chairman may, with the consent of the meeting, adjourn the meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

17. At any general meeting, unless a poll is demanded by at least three members, a declaration by the chairman that a resolution has been carried, and an entry to that effect in the book of proceedings of the company, shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against the resolution.

18. If a poll is demanded in manner aforesaid, the same shall be taken in such manner as the chairman directs, and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.

#### *Votes of Members.*

19. Every member shall have one vote and no more.

20. If any member is a lunatic or idiot, he may vote by his committee or other legal guardian.

21. No member shall be entitled to vote at any meeting unless all moneys due from him to the company have been paid.

22. On a poll votes may be given either personally or by proxy : Provided that no company shall vote by proxy as long as a resolution of its directors in accordance with the provisions of section 80 of the Indian Companies Act, 1913, is in force. A proxy shall be appointed in writing under the hand of the appointor, or, if such appointor is a corporation, under its common seal.

23. (1) No person shall act as a proxy unless he is a member, or unless he is appointed to act at the meeting as proxy for a corporation.

(2) The instrument appointing him shall be deposited at the registered office of the company not less than forty-eight hours before the time of holding the meeting at which he proposes to vote.

24. Any instrument appointing a proxy shall be in the following form :—

Company, Limited,

I, \_\_\_\_\_, of \_\_\_\_\_ being a Member of  
the \_\_\_\_\_ Company, Limited, hereby appoint \_\_\_\_\_ of \_\_\_\_\_

as my proxy, to vote for me and on my behalf at the

[ordinary or extraordinary as the case may be] general meeting of the company to be held on the                      day of                      and at any adjournment thereof.

Signed this                      day of                      .

*Directors.*

25. The number of the directors and the names of the first directors shall be determined by the subscribers of the memorandum of association.

26. Until directors are appointed, the subscribers of the memorandum of association shall, for all the purposes of the Indian Companies Act, 1913, be deemed to be directors.

*Powers of Directors.*

27. The business of the company shall be managed by the directors, who may exercise all such powers of the company as are not by the Indian Companies Act, 1913, or by any statutory modification thereof for the time being in force, or by these articles, required to be exercised by the company in general meeting; but no regulation made by the company in general meeting shall invalidate any prior act of the directors which would have been valid if that regulation had not been made.

*Elections of Directors.*

28. The directors shall be elected annually by the company in general meeting.

*Business of Company.*

(Here insert rules as to mode in which business of insurance is to be conducted.)

*Audit.*

29. Auditors shall be appointed and their duties regulated in accordance with sections 144 and 145 of the Indian Companies Act, 1913, or any statutory modification thereof for the time being in force, and for this purpose the said sections shall have effect as if the word "members" were substituted for "shareholders," and as if "first general meeting" were substituted for "statutory meeting".

*Notices.*

30. A notice may be given by the company to any member either personally or by sending it by post to him to his registered address.

31. Where a notice is sent by post, service of the notice shall be deemed to be effected by properly addressing, prepaying and posting a letter contain-

ing the notice and, unless the contrary is proved, to have been effected at the time at which the letter would be delivered in the ordinary course of post.

*Names, Addresses and Descriptions of Subscribers.*

- " 1. A. B. of
- " 2. C. D. of
- " 3. E. F. of
- " 4. G. H. of
- " 5. I. J. of
- " 6. K. L. of
- " 7. M. N. of

*Dated the                      day of                      19   .*

Witness to the above signatures.

X. Y., of

FORM C.

*(See sections 7 and 151.)*

MEMORANDUM AND ARTICLES OF ASSOCIATION OF A COMPANY LIMITED BY  
GUARANTEE, AND HAVING A SHARE CAPITAL.

*Memorandum of Association.*

1st.—The name of the company is "The Snowy Range Hotel Company, Limited."

2nd.—The registered office of the company will be situate in the province of Bengal.

3rd.—The objects for which the company is established are "the facilitating travelling in the Snowy Range, by providing hotels and conveyances by sea and by land for the accommodation of travellers and the doing all such other things as are incidental or conducive to the attainment of the above object."

4th.—The liability of the members is limited.

5th.—Every member of the company undertakes to contribute to the assets of the company in the event of its being wound up while he is a member, or within one year afterwards, for payment of the debts and liabilities of the company, contracted before he ceases to be a member, and the costs, charges and expenses of winding up the same and for the adjustment of the rights of the contributories amongst themselves, such amount as may be required, not exceeding fifty rupees.

6th.—The share capital of the company shall consist of five hundred thousand rupees, divided into five thousand shares of one hundred rupees each.

We, the several persons whose names and addresses are subscribed, are desirous of being formed into a company, in pursuance of this memorandum

of association, and we respectively agree to take the number of shares in the capital of the company set opposite our respective names.

Names, Addresses and Descriptions of Subscribers.	Number of shares taken by each Subscriber.
" 1. A. B. of . . . . .	200
" 2. C. D. of . . . . .	25
" 3. E. F. of . . . . .	30
" 4. G. H. of . . . . .	40
" 5. I. J. of . . . . .	15
" 6. K. L. of . . . . .	5
" 7. M. N. of . . . . .	10
TOTAL SHARES TAKEN . . . . .	325

Dated the                      day of                      19 .

Witness to the above signatures.

X. Y., of

*Articles of Association to accompany preceding Memorandum of Association.*

1. The share capital of the company is five hundred thousand rupees, divided into five thousand shares of one hundred rupees each.

2. The directors may, with the sanction of the company in general meeting, reduce the amount of shares in the company.

3. The directors may, with the sanction of the company in general meeting, cancel any shares belonging to the company.

4. All the articles of Table A of the Indian Companies Act, 1913, shall be deemed to be incorporated with these articles and to apply to the company.

*Names, Addresses and Descriptions of Subscribers.*

" 1. A. B. of                      , merchant.  
 " 2. C. D. of  
 " 3. E. F. of  
 " 4. G. H. of  
 " 5. I. J. of  
 " 6. K. L. of  
 " 7. M. N. of

Dated the                      day of                      19 .

Witness to the above signatures.

X. Y., of

#### FORM D.

(See sections 8 and 151.)

MEMORANDUM AND ARTICLES OF ASSOCIATION OF AN UNLIMITED COMPANY  
 HAVING A SHARE CAPITAL.

*Memorandum of Association.*

1st.—The name of the company is "The Patent Stereotype Company."

2nd.—The registered office of the company will be situate in the province of Bombay.

3rd.—The objects for which the company is established are “the working of a patent method of founding and casting stereotype plates of which method P. Q. of Bombay is the sole patentee.”

We, the several persons whose names are subscribed, are desirous of being formed into a company in pursuance of this memorandum of association, and we respectively agree to take the number of shares in the capital of the company set opposite our respective names.

Names, Addresses and Descriptions of Subscribers.	Number of shares taken by each Subscriber.
“ 1. A. B. of . . . . .	3
“ 2. C. D. of . . . . .	2
“ 3. E. F. of . . . . .	1
“ 4. G. H. of . . . . .	2
“ 5. I. J. of . . . . .	2
“ 6. K. L. of . . . . .	1
“ 7. M. N. of . . . . .	1
TOTAL SHARES TAKEN	12

Dated the                      day of                      19 .

Witness to the above signatures.

X. Y., of

*Articles of Association to accompany the preceding Memorandum of Association.*

1. The share capital of the company is twenty thousand rupees, divided into twenty shares of one thousand rupees each.

2. All the articles of Table A of the Indian Companies Act, 1913, shall be deemed to be incorporated with these articles and to apply to the company.

*Names, Addresses and Descriptions of Subscribers.*

- “ 1. A. B. of                      , merchant.
- “ 2. C. D. of
- “ 3. E. F. of
- “ 4. G. H. of
- “ 5. I. J. of
- “ 6. K. L. of
- “ 7. M. N. of

Dated the                      day of                      19

Witness to the above signatures.

X. Y., of

## FORM E.

AS REQUIRED BY PART II OF THE ACT.

(See section 32.)

Summary of Share Capital and Shares of the Company, Limited, made up to the            day of            19    (being the day of the first ordinary general meeting in 19    ).

Nominal share capital Rs.	divided into*	{ shares of Rs. each. shares of Rs. each.	
Total number of shares taken up* to the            day of            19	which number must agree with the total shown in the list as held by existing members	}	
Number of shares issued subject to payment wholly in cash			
Number of shares issued as fully paid up otherwise than in cash			
Number of shares issued as partly paid up to the extent of            per share otherwise than in cash		}	
† There has been called up on each— of shares			Rs.
There has been called up on each—of shares			Rs.
There has been called up on each— of shares			Rs.
‡ Total amount of calls received, including payments on application and allotment		}	Rs.
Total amount (if any) agreed to be considered as paid on shares which have been issued as fully paid up otherwise than in cash		}	Rs.
Total amount (if any) agreed to be considered as paid on share which have been issued as partly paid up to the extent of            per share		}	Rs.
Total amount of calls unpaid			Rs.
Total amount (if any) of sums paid by way of commission in respect of shares or debentures or allowed by way of discount since date of last summary		}	Rs.
Total amount (if any) paid on \$shares forfeited			Rs.
Total amount of shares and stock for which share-warrants are outstanding		}	Rs.
Total amount of share-warrants issued and surrendered respectively since date of last summary		}	Rs.
Number of shares or amount of stock comprised in each share-warrant		}	Rs.
Total amount of debt due from the company in respect of all mortgages and charges which are required to be registered with the registrar under this Act.		}	Rs.

\* When there are shares of different kinds or amounts (e.g., Preference and Ordinary or Rs. 200 or Rs. 100) state the numbers and nominal values separately.

† Where various amounts have been called or there are shares of different kinds, state them separately.

‡ Include what has been received or forfeited as well as on existing shares.

§ State the aggregate number of shares forfeited.

List of Persons holding shares in the \_\_\_\_\_ Company, Limited, on the \_\_\_\_\_ day of \_\_\_\_\_ 19\_\_\_\_, and of persons who have held shares therein at any time since the date of the last return, showing their names and addresses and an account of the shares so held.

Folio in register containing particulars.	NAMES, ADDRESSES AND OCCUPATIONS.				ACCOUNT OF SHARES.				REMARKS.
	Name in full.	Father's name.	Address.	Occupation or caste.	* Number of shares held by existing Members at Date of Return.	§PARTICULARS OF SHARES TRANSFERRED SINCE THE DATE OF THE LAST RETURN BY PERSONS WHO ARE STILL MEMBERS.	§PARTICULARS OF SHARES TRANSFERRED SINCE THE DATE OF THE LAST RETURN BY PERSONS WHO HAVE CEASED TO BE MEMBERS.		
					Number.†	Date of Registration of Transfer.	Number.‡	Date of Registration of Transfer.	

\* State the aggregate number of shares forfeited (if any).  
 † The aggregate number of shares held, and not the distinctive numbers, must be stated and the column must be added up throughout so as to make one total to agree with that stated in the summary to have been taken up.  
 ‡ When the shares are of different classes, these columns may be sub-divided so that the number of each class held or transferred may be shown separately.  
 § The date of registration of each transfer should be given as well as the number of shares transferred on each date. The particulars should be placed opposite the name of the transferor and not opposite that of the transferee, but the name of the transferee may be inserted in the remarks column immediately opposite the particulars of each transfer.

Names and addresses of the persons who are the Directors of the \_\_\_\_\_, Limited, on the \_\_\_\_\_ day of \_\_\_\_\_ 19\_\_\_\_.

Names.	Addresses.

Names and addresses of the persons who are the managers of the \_\_\_\_\_, Limited, on the \_\_\_\_\_ day of \_\_\_\_\_ 19\_\_\_\_.

Names.	Addresses.

NOTE.—Banking companies must add a list of all their places of business.

I, \_\_\_\_\_, do hereby certify that the above list and summary truly and correctly states the facts as they stood on day of \_\_\_\_\_ 19\_\_\_\_.

(Signature) \_\_\_\_\_

(State whether director, manager or secretary.)



## FORM F.

(See section 132.)

LIMITED.

19

## Balance-sheet as at

CAPITAL AND LIABILITIES.			PROPERTY AND ASSETS.		
Rs.	As.	P.	Rs.	As.	P.
<b>CAPITAL—</b>			<b>FIXED CAPITAL EXPENDITURE</b>		
Authorized Capital, shares of Rs.....each	..	..	(Discriminating as far as possible between expenditure on goodwill, land, buildings, furniture, motor-cars, boats, railway sidings, plant, machinery, tools, stores, development of property, patents, trade marks, and designs, interest paid out of (capital during construction, and saving in every case the difference between actual cost and the total depreciation written off under each head)		
Issued Capital, shares of Rs.....each	..	..	<b>PRELIMINARY EXPENSES</b>		
Subscribed Capital, shares of Rs.....each	..	..	<b>COMMISSION OR BROKERAGE</b>		
Amount called up at Rs.....per share	..	..	(Commission or Brokerage paid for underwriting of placing shares or debentures until written off)		
<i>Less—Calls unpaid</i>	..	..	<b>STORES AND SPARE GEAR</b>		
<i>Add—Forfeited shares (amount paid up)</i>	..	..	<b>LOOSE TOOLS</b>		
<b>RESERVE FUND OR DEVELOPMENT FUND</b>	..	..	<b>LIVE STOCK</b>		
ANY SINKING FUND	..	..	<b>STOCK IN TRADE</b>		
ANY OTHER FUND CREATED OUT OF NET PROFITS	..	..	(Stating mode of valuation, <i>e.g.</i> , cost or market-value)		
ANY PENSION OR INSURANCE FUND	..	..	<b>BILLS OF EXCHANGE</b>		
PROVISION FOR BAD AND DOUBTFUL DEBTS	..	..	<b>BOOK DEBTS</b>		
LOANS ON MORTGAGE OR MORTGAGE DEBENTURE BONDS.	..	..			
LOANS OTHERWISE SECURED	..	..			
(Stating the nature of security.)					

[illegible]

## FORM G.

(See section 136.)

## FORM OF STATEMENT TO BE PUBLISHED BY BANKING AND INSURANCE COMPANIES AND DEPOSIT, PROVIDENT, OR BENEFIT SOCIETIES.

\* The share capital of the company is Rs. divided into  
 shares of Rs. each.  
 The number of shares issued is . Calls to the amount of  
 Rs. per share have been made, under which the sum of  
 Rs. has been received.  
 The liabilities of the company on the thirty-first day of December (or thirtieth of  
 June) were :—

Debts owing to sundry persons by the company :

Under decree, Rs.  
 On mortgages or bonds, Rs.  
 On notes, bills or hundis, Rs.  
 On other contracts, Rs.  
 On estimated liabilities, Rs.

The assets of the company on that day were :

Government securities [stating them], Rs.  
 Bills of exchange, hundis and promissory notes, Rs.  
 Cash at the Bankers, Rs.  
 Other securities, Rs.

## THE FOURTH SCHEDULE.

(See section 290.)

## ENACTMENTS REPEALED.

1	2	3	4
Year.	No.	Subject or short title.	Extent of repeal.
1882 .	VI	The Indian Companies Act, 1882 . . . .	So much as has not been repealed.
1887 .	VI	The Indian Companies Act (1882) Amendment Act, 1887.	The whole.
1891 .	XII	The Amending Act, 1891 . . . . .	So much of the Second Schedule as relates to the Indian Companies Act, 1882.
1895 .	XII	The Indian Companies (Memorandum of Association) Act, 1895.	The whole
1899 .	IX	The Indian Arbitration Act, 1899 . . . .	The second proviso to section 3 relating to the Indian Companies Act, 1882.
1900 .	IV	The Indian Companies (Branch Registers) Act, 1900.	The whole.
1910 .	IV	The Indian Companies (Amendment) Act, 1910.	The whole.

\* If the company has no capital divided into shares, the portion of the statement relating to capital and share must be omitted.

ACT No. VIII OF 1913.<sup>1</sup>

[27th March, 1913.]

An Act further to amend the Indian Penal Code and the Code of Criminal Procedure, 1898.

<sup>XLV</sup> of 1860.  
<sup>V</sup> of 1898.

WHEREAS it is expedient further to amend the <sup>2</sup>Indian Penal Code and the <sup>3</sup>Code of Criminal Procedure, 1898; It is hereby enacted as follows :—

1. This Act may be called the Indian Criminal Law Amendment Act, Short title. 1913.

<sup>XLV</sup> of 1860.

2. In section 40 of the <sup>2</sup>Indian Penal Code, after the word and figures "Chapter IV", the word, figure and letter "Chapter VA" shall be inserted.

Amendment of section 40, Indian Penal Code.

3. After Chapter V of the said Code, the following Chapter shall be inserted, namely :—

Insertion of new Chapter in the Indian Penal Code.

— CHAPTER VA.

CRIMINAL CONSPIRACY.

120A. When two or more persons agree to do, or cause to be done, —

(1) an illegal act, or

(2) an act which is not illegal by illegal means,

Definition of criminal conspiracy.

such an agreement is designated a criminal conspiracy :

Provided that no agreement except an agreement to commit an offence shall amount to a criminal conspiracy unless some act besides the agreement is done by one or more parties to such agreement in pursuance thereof.

*Explanation.*—It is immaterial whether the illegal act is the ultimate object of such agreement, or is merely incidental to that object.

120B. (1) Whoever is a party to a criminal conspiracy to commit an offence punishable with death, transportation or rigorous imprisonment for a term of two years or upwards, shall, where no express provision is made in this Code for the punishment of such a conspiracy, be punished in the same manner as if he had abetted such offence.

Punishment of criminal conspiracy.

(2) Whoever is a party to a criminal conspiracy other than a criminal conspiracy to commit an offence punishable as aforesaid shall be punished with imprisonment of either description for a term not exceeding six months or with fine or with both."

<sup>V</sup> of 1898.

4. In section 195, sub-section (3), of the <sup>3</sup>Code of Criminal Procedure, 1898, before the words "the abetment" the words "criminal conspiracies to commit such offences and to" shall be inserted.

Amendment of section 195, Code of Criminal Procedure, 1898.

<sup>1</sup> For Statement of Objects and Reasons, see Gazette of India, 1913, Pt. V, p. 44; for Report of the Select Committee, see *ibid*, 1913, Pt. V, p. 119; and for Proceedings in Council, see *ibid*, 1913, Pt. VI, pp. 107, 244, 334 and 349.

<sup>2</sup> Genl. Acts, Vol. I.

<sup>3</sup> Genl. Acts, Vol. V.

Insertion  
of new section  
196A in  
Code of  
Criminal  
Procedure,  
1898.  
Prosecution  
for certain  
classes  
of criminal  
conspiracy.

5. After section 196 of the <sup>1</sup>Code of Criminal Procedure, 1898, the v of 1898.  
following section shall be inserted, namely :—

“ 196A. No Court shall take cognizance of the offence of criminal conspiracy punishable under section 120B of the <sup>2</sup>Indian Penal Code,

XLV of 1860.

(1) in a case where the object of the conspiracy is to commit either an illegal act other than an offence, or a legal act by illegal means, or an offence to which the provisions of section 196 apply, unless upon complaint made by order or under authority from the Governor (General in Council, the Local Government or some officer empowered by the Governor General in Council in this behalf, or

(2) in a case where the object of the conspiracy is to commit any non-cognizable offence, or a cognizable offence not punishable with death, transportation or rigorous imprisonment for a term of two years or upwards, unless the Local Government, or a Chief Presidency Magistrate or District Magistrate empowered in this behalf by the Local Government, has, by order in writing, consented to the initiation of the proceedings : ”

Provided that where the criminal conspiracy is one to which the provisions of sub-section (3) of section 195 apply, no such consent shall be necessary.”

Amendment  
of Schedule  
II of the  
Code of  
Criminal  
Procedure,  
1898.

6. In Schedule II of the <sup>1</sup>Code of Criminal Procedure, 1898, after the v of 1898.  
entries relating to Chapter V, the entries contained in the Schedule hereto annexed shall be inserted.

<sup>1</sup> Genl. Acts, Vol. V.

<sup>2</sup> Genl. Acts, Vol. I.

## SCHEDULE.

## " CHAPTER VA.

*Criminal Conspiracy.*

1	2	3	4	5	6	7	8
120B	Criminal conspiracy to commit an offence punishable with death, transportation or rigorous imprisonment for a term of two years or upwards.	May arrest without warrant if he has reason to believe that the offence which is the object of the conspiracy may be made without warrant, but not otherwise.	According as a warrant may or may not be issued for the offence which is the object of the conspiracy.	According as the offence which is the object of the conspiracy is bailable or not.	Not compoundable.	The same punishment as that provided for the offence which is the object of the conspiracy.	Court of Session when the offence which is the object of the conspiracy is punishable exclusively by such Court; in the case of all other offences Court of Session, Presidency Magistrate or Magistrate of the first class.
	Any other criminal conspiracy.	Shall not arrest without a warrant.	Summons	Bailable	Ditto	Imprisonment of either description for six months and fine or both.	Magistrate of the first class.



# INDEX.

	Pages
Accidents— <i>see</i> Indian Electricity Act, 1910.	
Accounts— <i>see</i> Administrator General's Act, 1913; Official Trustees Act, 1913; Indian Companies Act, 1913.	
Acquisition of land— <i>see</i> Indian Electricity Act, 1910.	
Administrator General's Act, 1874, repealed . . . . .	332
Administrator General's Act, 1881, repealed . . . . .	<i>ib.</i>
Administrator General's Act, 1913 . . . . .	313
Administrator General—	
accounts of, audit of and power of auditor . . . . .	326, 327
cost of audit . . . . .	327
inspection of, and of audit report . . . . .	<i>ib.</i>
appointment, designation and qualifications . . . . .	315
bond or security not to be required from, . . . . .	322
costs to be awarded to, in certain cases, although grant is made to another creditors' suits against . . . . .	317 325
deputy, appointment and powers of, . . . . .	315
distribution of assets by, . . . . .	321
grants to, to be made in name of office . . . . .	320
grants of letters of administration to, . . . . .	317
military men, administration of estates of, by . . . . .	318
petition for grants by, may be made within one month after death . . . . .	<i>ib.</i>
petition for grant by, sufficiency of . . . . .	320
powers of administration, general . . . . .	327
power to administer without taking out letters in certain cases . . . . .	323
to examine on oath . . . . .	322
to transfer asset, to Official Trustee . . . . .	321
preferential right of, to letters of administration . . . . .	316
revocation of letters granted to, . . . . .	319
costs of Administrator General on . . . . .	<i>ib.</i>
effect of . . . . .	<i>ib.</i>
validity of acts and payments prior to . . . . .	<i>ib.</i>
rights, etc., of, not affected by Act X of 1865 or Act VI of 1882 . . . . .	330
status of, as corporation sole . . . . .	315
transfer to, by private executor or administrator . . . . .	321
unexempted person, administration of estate of, by verification of petitions by . . . . .	322 322
<i>See also</i> Certificates, Company, District Judge, High Courts.	
Certificates, grant of, by Administrator General in certain cases . . . . .	322, 323
effect of . . . . .	323
revocation of . . . . .	324
surrender of, on revocation . . . . .	<i>ib.</i>
taking out letters in cases where certificate has been granted . . . . .	<i>ib.</i>



Administrator General's Act, 1913— <i>contd</i>	Pages.
Company, entry of name of Administrator General in register of, . . . . .	322
Consular officer— <i>see</i> Foreigner.	
District Judge—	
to take charge of estate and report to Administrator General in certain cases . . . . .	329
Domicile—	
power to transfer assets of deceased to country of his, . . . . .	324
Ecclesiastical Registrar, effect of grants made to, . . . . .	320
False evidence . . . . .	328
Fees . . . . .	325
disposal of, . . . . .	326
Foreigner—	
provision for granting letters to consular officer in respect of estate left by, . . . . .	330
Government—	
liability of, for acts of Administrator General . . . . .	325
transfer of unclaimed assets to credit of, . . . . .	328
proceedings by claimant to recover assets transferred to credit of, . . . .	<i>ib.</i>
High Courts at presidency-towns—	
effect of grant to Administrator General by, . . . . .	320
grant of letters by, to be made to Administrator General unless granted to next-of-kin . . . . .	316
power to direct Administrator General to apply for letters . . . . .	317
power to direct Administrator General to collect and hold assets until right of succession or administration is determined . . . . .	<i>ib.</i>
power to give directions to Administrator General regarding administration .	322
power to grant probate or letters to Administrator General . . . . .	316
Interpretation . . . . .	314
Notice of suit against Administrator General not required in certain cases . .	325
Notice of trust—	
entry of name of Administrator General not to be, . . . . .	322
Oath, power to examine on— <i>see</i> Administrator General.	
Official Trustee—	
transfer of assets to— <i>see</i> Administrator General.	
Orders under Act to have force of decree . . . . .	330
Police—	
saving of powers of, in presidency-towns, in certain cases . . . . .	<i>ib.</i>
Presidencies—	
power to divide into provinces; consequences of division . . . . .	<i>ib.</i>
Regimental Debts Act, 1893—	
Saving of provisions of, . . . . .	318
Rules . . . . .	327
Security not to be required from Administrator General . . . . .	322
Verification— <i>see</i> Administrator General.	
Administrator General and Official Trustees Act, 1902—	
repealed in part . . . . .	{ 309
	{ 333
Advisory Board— <i>see</i> Indian Electricity Act, 1910.	
Aërial line— <i>see</i> Indian Electricity Act, 1910.	

Airships—see Indian Airships Act, 1911.	
Animals—see Wild Birds and Animals Protection Act, 1912.	
Amending Act, 1891, so much of Part I of the Second Schedule as relates to the Cantonments Act, 1889, repealed . . . . .	89
Amending Army Act, 1894, so much as related to the Military Lunatics Act, 1877, repealed . . . . .	254
Amending (Army) Act, 1909, so much of the Schedule as relates to the Cantonments Act, 1889, repealed . . . . .	89
Amending (Army) Act, 1909, so much as relates to Military Lunatics Act, 1877, repealed . . . . .	254
Anand Marriage Act, 1909 . . . . .	1
Arbitration—see Indian Companies Act, 1913; Indian Electricity Act, 1910.	
Arrest—see Indian Army Act, 1911.	
Articles of Association—see Indian Companies Act, 1913.	
Asiatic Society of Bengal—see Indian Museum Act, 1910.	
Assessors—see Indian Patents and Designs Act, 1911.	
Associations—see Indian Companies Act, 1913.	
Attachment—see Indian Electricity Act, 1910; Indian Army Act, 1911.	
Attestation—see Indian Army Act, 1911.	
Auditor—see Indian Companies Act, 1913.	
Balance-sheet—see Indian Companies Act, 1913.	
Banking Companies—see Indian Companies Act, 1913.	
Banks of Calcutta, Bombay, Madras—see Indian Companies Act, 1913.	
Baronetcy—see Sir Currimbhoy Ebrahim Baronetcy Act, 1913.	
Bengal Chaukidari Act, 1856. Power to extend, to certain cantonments . . . . .	82
Bills—see Indian Paper Currency Act, 1910.	
Bills of Exchange—see Indian Companies Act, 1913.	
Birds—see Wild Birds and Animals Protection Act, 1912.	
Births, Deaths and Marriages Registration Act, 1886—	
Section 22 amended . . . . .	172
Section 26 amended . . . . .	<i>ib.</i>
Section 28 amended . . . . .	<i>ib.</i>
Section 36, new section . . . . .	<i>ib.</i>
Section 37 repealed . . . . .	173
rules made under, prior to Act IX of 1911 to be deemed to have been made by Local Government . . . . .	<i>ib.</i>
Books and documents—see Indian Press Act, 1910.	
Cantonments Act, 1889, repealed . . . . .	89
Cantonments Act, 1897, repealed . . . . .	<i>ib.</i>
Cantonments Act, 1910—	
Cantonment—	
definition of limits of, . . . . .	78
must have a cantonment authority and a cantonment magistrate . . . . .	79
occupation of Government land in : power to make rules for, . . . . .	84
power to declare place in which any of His Majesty's regular forces are quartered to be . . . . .	78
power to extend Bengal Chaukidari Act. 1856, to, . . . . .	82

	Pages.
Cantonments Act, 1910— <i>contd</i>	
Cantonment— <i>contd.</i>	
power to extend enactment in force in any municipality to, . . . . .	84
power to exclude, from operation of Act XV of 1910 . . . . .	88
power to extend certain enactments and rules to places in the vicinity of, . . . . .	87
registers of immoveable property in : power to make rules for, . . . . .	84
to be deemed to be a town for the purposes of Police Act, 1861 . . . . .	80
authority defined . . . . .	79
accounts to be kept by : audit . . . . .	85
deemed to be local authority for certain purposes . . . . .	79
execution of contracts by : rules for . . . . .	85
committee, constitution and functions of, etc. : power to make rules for functions of commanding officer where no cantonment committee . . . . .	84 85
Cantonment Court of Small Causes . . . . .	79-80
Cantonment fund, constitution, application, custody, vesting and management of : rules . . . . .	83-84 84
to be deemed public revenue for purposes of Land Acquisition Act, 1894 . . . . .	84
Cantonment magistrate, appointment and subordination of : executive duties of, . . . . .	79, 85 80
Cantonment police . . . . .	80
Definitions . . . . .	77
Executive orders, rules as to appeals from, . . . . .	87
Health, safety and convenience : power to make rules for . . . . .	85-86
Presidency-towns, special provisions for cantonments in . . . . .	87
Protection of cantonment authority, cantonment magistrate or commanding officer . . . . .	88 86
Registration of births and deaths . . . . .	86
Registration of documents in cantonments, special provisions as to . . . . .	ib.
Rules . . . . .	84, 87
Spirituos liquors and intoxicating drugs . . . . .	80
penalty for unauthorized sale of, in cantonments . . . . .	ib.
restriction on possession of, in cantonments : penalty . . . . .	ib.
arrest of persons and seizure and confiscation of goods for offences in respect of . . . . .	81 ib.
saving of articles sold or supplied for medicinal purposes . . . . .	ib.
Taxes—	
imposition, assessment, refund, etc., of, in cantonments . . . . .	ib.
certain taxes not to be levied in cantonments when tax under Bengal Chaukidari Act, 1856, is levied . . . . .	82 ib.
power to prohibit levy of, and to grant exemption from . . . . .	ib.
Transfer of Property Act, 1882, sections 54 (2) (3), 59, 107 and 123, to extend to all cantonments in British India. . . . .	88 89
Cattle-trespass Act, 1871, meaning of "local authority" in, extended . . . . .	79
Cattle-trespass Act, 1871, Amendment Act, 1891, section 11 repealed . . . . .	89
Census— <i>see</i> Indian Census Act, 1910.	
Certificate— <i>see</i> Administrator General's Act, 1913; Indian Companies Act, 1913.	
Certifying Surgeons— <i>see</i> Indian Factories Act, 1911.	
Children— <i>see</i> Indian Factories Act, 1911.	

	Pages.
Code of Civil Procedure, 1908—	
section 80 not to apply to certain suits against Administrator General . . . . .	325
section 80 not to apply to certain suits against Official Trustee . . . . .	304
Code of Criminal Procedure, 1898—	
section 471 (2), (3), section 472, repealed . . . . .	254
Chapter XLII made applicable to bonds taken under Act IV of 1912 . . . . .	247
section 195 amended . . . . .	473
section 196A inserted . . . . .	474
Schedule II amended . . . . .	ib.
so much of Schedule I as relates to the Cantonments Act, 1889, repealed . . . . .	89
section 403 not applicable in case of trial by Court-martial . . . . .	157
Close time— <i>see</i> Wild Birds and Animals Protection Act, 1912.	
Commission and discount— <i>see</i> Indian Companies Act, 1913.	
Commissioners of Police— <i>see</i> Indian Lunacy Act, 1912.	
Company— <i>see</i> Administrator General's Act, 1913; Official Trustees Act, 1913; Indian Companies Act, 1913.	
Compensation— <i>see</i> Dourine Act, 1910; Indian Electricity Act, 1910.	
Conspiracy— <i>see</i> Criminal Conspiracy.	
Continuing Act, 1910—	
repealed . . . . .	175
Contracts— <i>see</i> Indian Companies Act, 1913.	
Contributories— <i>see</i> Indian Companies Act, 1913.	
Controller of Patents and Designs— <i>see</i> Indian Patents and Designs Act, 1911.	
Co-operative Credit Societies Act, 1904, repealed . . . . .	218
Co-operative Societies Act, 1912 . . . . .	205
Accounts, books, etc.— <i>see</i> Societies.	
Auditors to be persons authorised by Registrar . . . . .	209
By-laws— <i>see</i> Societies.	
"Co-operative," prohibition of the use of the word . . . . .	217
Definitions . . . . .	206
Extent of Act . . . . .	ib.
Indian Companies Act, 1882— <i>see</i> Societies.	
Indian Registration Act, 1908, section 17 (1) (b) and (c) when not to apply . . . . .	211
Registered Societies— <i>see</i> Societies.	
Registrar—	
appointment of . . . . .	206
appointment and powers of persons to assist . . . . .	ib.
power of, to decide certain questions . . . . .	207
Registration of Societies . . . . .	ib.
application for . . . . .	ib.
cancellation of . . . . .	214
conditions of . . . . .	207
evidence of . . . . .	208
power to exempt from requirements as to . . . . .	217
societies which may be registered . . . . .	206
Rules—	
power to make . . . . .	215

	Pages.
Co-operative Societies Act, 1912— <i>contd.</i>	
Societies—	
accounts of registered, to be audited . . . . .	209
accounts, books, etc., of registered, to be at all times open to Registrar, Collector, or any person authorized by Registrar . . . . .	<i>ib.</i>
address of, to be registered . . . . .	208
books of registered, proof of entries in . . . . .	211
borrowing by registered, restrictions on . . . . .	212
bye-laws, proposed, to accompany application for registration . . . . .	207
registration of . . . . .	<i>ib.</i>
amendments of, to be registered . . . . .	208
copies of, to be kept open to inspection . . . . .	209
charities, power of registered societies to contribute to . . . . .	212
conditions of registration of— <i>see</i> Registration.	
copies of Act, rules, bye-laws to be kept open to inspection . . . . .	209
dissolution of, registered . . . . .	213
dividends or bonus not to be paid, exception . . . . .	212
exemption of registered, from income-tax, stamp duties, registration fees . . . . .	211
exemption of registered, from provisions of Act . . . . .	217
incorporation of registered . . . . .	209
Indian Companies Act, 1882, not to apply to registered . . . . .	217
inquiry of affairs of and inspection of books of registered ; costs . . . . .	212-213
investment of funds of registered . . . . .	212
liability of registered . . . . .	206
when to be unlimited if members are agriculturists . . . . .	<i>ib.</i>
when limited, word " limited " to be last word in the name . . . . .	207
loans by registered, restrictions on advancing . . . . .	211
members of registered—	
qualification and minimum number of . . . . .	207
restriction on interest of . . . . .	<i>ib.</i>
exercise of rights by . . . . .	208
register of . . . . .	210
votes of . . . . .	208
voting by proxy . . . . .	<i>ib.</i>
exemption from attachment of share or interest of . . . . .	209
restriction on transfer of share or interest by . . . . .	208
insolvency of, claim of assignee in, not to extend to shares or interest of . . . . .	209
devolution of interest on death of . . . . .	210
liability of past members and of estate of deceased . . . . .	<i>ib.</i>
charge and set off in respect of debts due from present or past . . . . .	209
priority of claim of registered . . . . .	<i>ib.</i>
recovery of sums due to Government from registered . . . . .	217
repeal of Act X of 1904 . . . . .	218
saving of existing . . . . .	<i>ib.</i>
winding up of registered, appointment and power of liquidators . . . . .	214
Copyright— <i>see</i> Indian Patents and Designs Act, 1911.	

Corporation sale— <i>see</i> Administrator General's Act, 1913; Official Trustees Act, 1913.	
Court Fees Act, 1870—	
Schedule I, Article 11 amended . . . . .	23
Schedule 2, Article 13A amended . . . . .	24
Schedule II, Article 1A inserted . . . . .	197
Court of Small Causes— <i>see</i> Cantonments Act, 1910; Central Provinces.	
Court of Wards— <i>see</i> Indian Lunacy Act, 1912.	
Courts— <i>see</i> Criminal Tribes Act, 1911.	
Courts-martial— <i>see</i> Indian Army Act, 1911.	
Criminal conspiracy— <i>see</i> Indian Criminal Law Amendment Act, 1913.	
Criminal Tribes Act, 1871, repealed . . . . .	127
Criminal Tribes (Amendment) Act, 1876, repealed . . . . .	<i>ib.</i>
Criminal Tribes Act (Amendment) Act, 1897, repealed . . . . .	<i>ib.</i>
Criminal Tribes Act, 1911 . . . . .	120
Courts not to question validity of certain notifications . . . . .	126
Criminal tribes—	
definition of . . . . .	120
finger impressions of registered members of, power to take . . . . .	121, 122
notification of . . . . .	120
registration of member of . . . . .	<i>ib.</i>
<i>see</i> register below.	
registered members of, to report themselves or notify residence . . . . .	121
power to restrict movements of, or to settle . . . . .	121, 122
power to vary area of movements or residence of . . . . .	122
registered members of, which have been settled or whose movements have been restricted to attend as prescribed . . . . .	<i>ib.</i>
<i>see</i> school, settlement below.	
landowners, village-officers, etc., to give information relating to members of, penalty for failure . . . . .	126
Definitions . . . . .	120, 123
Landowners— <i>see</i> Criminal tribes above.	
Penalties and procedure . . . . .	124, 126
enhanced punishment in certain cases . . . . .	125
Register—	
procedure in making of, members of criminal tribe . . . . .	120
alterations in . . . . .	121
charge of, Superintendent of Police to have . . . . .	<i>ib.</i>
complaints of entries in . . . . .	<i>ib.</i>
transfer of, to district in which tribe is settled or its movements are restricted . . . . .	122
Rules . . . . .	123
penalty for breach of . . . . .	125
School—	
power to establish and place children of members of criminal tribes in . . . . .	123
superintendent of . . . . .	<i>ib.</i>
certain provisions of Act VIII of 1897 to apply . . . . .	<i>ib.</i>
power to discharge or remove from . . . . .	<i>ib.</i>
power to transfer . . . . .	<i>ib.</i>

	Pages.
Criminal Tribes Act, 1911— <i>contd.</i>	
Settlement,	
power to establish and place criminal tribe in . . . . .	122, 123
power to discharge or remove from . . . . .	123
power to transfer . . . . .	ib.
Village-officers— <i>see</i> Criminal tribes <i>above</i> .	
Crown— <i>see</i> Indian Factories Act, 1911 ; Indian Patents and Designs Act, 1911.	
Currency Notes— <i>see</i> Indian Paper Currency Act, 1910.	
Customs Authority— <i>see</i> Indian Press Act, 1910.	
Debenture(s)— <i>see</i> Company ; Indian Companies Act, 1913.	
Delhi Laws Act, 1912 . . . . .	293
Construction of references . . . . .	294, 295
Delhi, province of, defined . . . . .	ib.
Pending proceedings . . . . .	295
Powers of Courts and Local Government for purposes of facilitating application of enactments . . . . .	294
Power to extend enactments to Delhi province . . . . .	295
Saving of territorial application of enactments . . . . .	294
Vesting of powers of separate officers in single officer . . . . .	295
Deserter— <i>see</i> Indian Army Act, 1911.	
Design— <i>see</i> Indian Patents and Designs Act, 1911.	
Directors— <i>see</i> Indian Companies Act, 1913.	
Dividends— <i>see</i> Indian Companies Act, 1913.	
Dourine Act, 1910—	
Appeals . . . . .	21
Committees for hearing appeals . . . . .	ib.
Compensation for horse or mare destroyed, etc. . . . .	ib.
settlement of, in case of dispute . . . . .	ib.
Definitions . . . . .	19
Horses, provisions of Act relating to, may be applied to asses used for mule-breeding purposes . . . . .	ib.
inspection of . . . . .	ib.
registration of . . . . .	ib.
Inspectors, appointment of . . . . .	ib.
duties and powers of . . . . .	ib.
vexatious entries and searches by . . . . .	20
Penalties . . . . .	21
Protection to persons acting under Act in good faith . . . . .	ib.
Rules . . . . .	20
Veterinary practitioners . . . . .	19
powers of . . . . .	ib.
Drains, sewers, etc.— <i>see</i> Cantonments Act, 1910 ; Indian Electricity Act, 1910.	
Earth— <i>see</i> Indian Electricity Act, 1910.	
Ecclesiastical Registrar— <i>see</i> Administrator General's Act, 1913.	
Electric Inspector— <i>see</i> Indian Electricity Act, 1910.	
Employment— <i>see</i> Indian Factories Act, 1911.	
Entry and inspection— <i>see</i> Cantonments Act, 1910 ; Indian Electricity Act, 1910.	

	Pages.
Evidence— <i>see</i> Indian Consus Act, 1910 ; Indian Press Act, 1910 ; Indian Army Act, 1911 ; Indian Factories Act, 1911 ; Indian Patents and Designs Act, 1911.	
Excise Act, 1896—	
So much of the Schedule as relates to the Cantonments Act, 1889, repealed . . . . .	89
Exhibition— <i>see</i> Indian Patents and Designs Act, 1911.	
Expert— <i>see</i> Indian Patents and Designs Act, 1911.	
Factories— <i>see</i> Indian Factories Act, 1911.	
Fees— <i>see</i> Indian Patents and Designs Act, 1911 ; Administrator General's Act, 1913 ; Indian Companies Act, 1913 ; Official Trustees Act, 1913.	
Finger-impressions— <i>see</i> Criminal Tribes Act, 1911.	
Foreign vessels— <i>see</i> Indian Patents and Designs Act, 1911.	
General Clauses Act, 1897—	
Section 26 not applicable in case of trial by Court-martial . . . . .	157
Definition of "local authority" in, amended . . . . .	79
Glanders and Farcy Act, 1890—	
Section 3 amended . . . . .	73
Glanders and Farcy Law Amendment Act, 1910 . . . . .	<i>ib.</i>
Government— <i>see</i> Administrator General's Act, 1913 ; Official Trustees Act, 1913.	
High Courts— <i>see</i> Administrator General's Act, 1913 ; Official Trustees Act, 1913.	
Holidays— <i>see</i> Indian Factories Act, 1911.	
Horses— <i>see</i> Mourine Act, 1910.	
Indian Airships Act, 1911 . . . . .	198
Airship defined . . . . .	199
power to make rules for licensing the manufacture, possession, use, sale, import and export of . . . . .	<i>ib.</i>
power to prohibit import and export of, for public good . . . . .	200
power to cancel or suspend licenses and to acquire, for the public service . . . . .	<i>ib.</i>
power to prohibit and regulate navigation by . . . . .	201
Inspection, search, seizure, detention and removal . . . . .	<i>ib.</i>
Penalties and forfeiture . . . . .	201, 202
Procedure for making rules . . . . .	202
Savings for acts done by Government or Government officers . . . . .	<i>ib.</i>
Saving for acts done in good faith . . . . .	<i>ib.</i>
Indian Army Act, 1911 . . . . .	138
Application of Act to any force raised and maintained in India under authority of Governor General in Council . . . . .	139
Arrest— <i>see</i> Persons subject to ; Reserve forces <i>below</i> .	
Attachment— <i>see</i> Persons subject to ; Reserve forces <i>below</i> .	
Attestation, persons to be attested . . . . .	141
mode of ; oath or affirmation . . . . .	<i>ib.</i>
Commencement . . . . .	138
Courts-martial : four kinds of . . . . .	155
claim to trial by British officers . . . . .	156
confirmation of finding or sentence . . . . .	163
not required in case of summary court-martial . . . . .	164
conviction of one offence permissible on charge of another . . . . .	161



	Pages.
Indian Army Act, 1911— <i>contd.</i>	
Courts-martial— <i>contd.</i>	
dissolution of : liability of accused to re-trial . . . . .	156
district court-martial—	
composition of . . . . .	155, 156
convening of ; contents of warrant . . . . .	155
evidence before, Indian Evidence Act, 1872, to apply subject to provisions of Act . . . . .	162
judicial notice may be taken of matters within general military knowledge of members of . . . . .	<i>ib.</i>
of general character . . . . .	<i>ib.</i>
of Government officers how taken . . . . .	<i>ib.</i>
of previous convictions . . . . .	<i>ib.</i>
presumption as to signatures, etc., of Government officers . . . . .	<i>ib.</i>
general court-martial—	
composition of . . . . .	155, 156
convening of ; contents of warrant . . . . .	155
Judge Advocate General . . . . .	161
jurisdiction—	
previous trial or summary punishment when bar to . . . . .	157
procedure in case of criminal court having concurrent, with . . . . .	<i>ib.</i>
limitation, period of, for trial by . . . . .	<i>ib.</i>
rights of president and members of . . . . .	159
place of trial by . . . . .	157
powers of . . . . .	158
of summary . . . . .	<i>ib.</i>
resident of . . . . .	<i>ib.</i>
casting vote of, in certain cases . . . . .	159
privileges of persons attending, etc. . . . .	168
revision of finding or sentence . . . . .	164
right of accused to challenge ; decision on challenge . . . . .	158
sentence : confirmation of . . . . .	163
of death, majority of court-martial requisite to . . . . .	161
power of confirming officers to mitigate, remit or commute . . . . .	163
of summary court-martial, when execution to be stayed . . . . .	164
or finding of summary court-martial does not require confirmation . . . . .	<i>ib.</i>
substitution of valid for invalid . . . . .	<i>ib.</i>
execution of —	
corporal punishment . . . . .	165
death . . . . .	164
imprisonment . . . . .	164-165
solitary confinement . . . . .	165
transportation . . . . .	164-165
summary court-martial . . . . .	156
proceedings of, transmission and setting aside of . . . . .	164
summary general court-martial, convening and composition of . . . . .	156
trial by, no bar to fresh trial by criminal court . . . . .	157
voting of members of ; decision to be by absolute majority of . . . . .	159
majority requisite to sentence of death . . . . .	161

Indian Army Act, 1911—*contd.*

Pages.

Courts-martial—*contd.*

when to be attended by Judge Advocate . . . . .	158
when to be attended by superintending officer . . . . .	<i>ib.</i>
witnesses ; summoning and examination of, and production of documents by . . . . .	159
oath of . . . . .	<i>ib.</i>
power of Judge Advocate General to issue commission for the examination of absent, and procedure thereon . . . . .	160

*See also under Punishment below.*

Definitions . . . . .	139
-----------------------	-----

Deserter—*see* Persons subject to *below*.

Enrolment . . . . .	141
presumption of, in certain cases . . . . .	<i>ib.</i>
punishment for making false statement on . . . . .	150
<i>see</i> Courts-martial, evidence, <i>above</i> .	

Evidence—*see* Courts-martial *above*.Judge Advocate General—*see* Courts-martial *above*.Oath—*see* Attestation *above*.

Offences . . . . .	145-151
abettment of . . . . .	151
civil, when triable by court-martial . . . . .	151, 152
conviction of one offence permissible on charge of another . . . . .	161
Pardons and remissions . . . . .	165
Persons being in employ or service of, or being followers of His Majesty's forces rank and commanding officers of . . . . .	138, 139
Persons subject to . . . . .	138
serving out of India ; officers to exercise powers in case of . . . . .	139
Absence without authority, inquiry into . . . . .	170
arrest of . . . . .	<i>ib.</i>
dismissal of ; certificate in case of person enrolled . . . . .	142
deserter, capture of . . . . .	169
absent without authority when deemed to be a . . . . .	170
discharge of ; certificate in case of person enrolled . . . . .	142
exemption from arrest for debt ; compensation for improper arrest . . . . .	168
exemption from attachment of arms, etc., belonging to . . . . .	169
provision for sending back to India where a person enrolled is dismissed or discharged while serving out of India . . . . .	142
right of, to make complaint against superior officer : procedure on complaint . . . . .	168
punishment for making false complaint . . . . .	150
pay and allowances of—	
deduction from, in certain cases . . . . .	154
deduction from public money other than, due to person subject to Act . . . . .	155
exemption of, from attachment . . . . .	169
remission of deduction from . . . . .	155
forfeiture and stoppage of, as a form of punishment . . . . .	152
property of, dying, deserting or becoming insane : disposal of . . . . .	167-168
suit or other proceedings in court, by or against ; priority of hearing of . . . . .	169

	Pages.
Indian Army Act, 1911— <i>concl.</i>	
Privileges— <i>see</i> Persons subject to.	
Provost-marshal; appointment, powers and duties of . . . . .	144
<i>See also under</i> Punishments <i>below</i> .	
Punishments: scale of . . . . .	152
awarded by court-martial to be taken into consideration by criminal court	
trying accused on same facts . . . . .	157
collective fine in case of loss or theft of arms, etc. . . . .	143
combination of . . . . .	153
corporal punishment . . . . .	<i>ib.</i>
position of, in scale of . . . . .	<i>ib.</i>
instrument for carrying out . . . . .	141, 165
corporal punishment by provost-marshal in certain cases . . . . .	144
lower punishment, meaning of . . . . .	153
of certain native followers . . . . .	143
reduction and minor punishments awardable without intervention of court-	
martial . . . . .	<i>ib.</i>
reduction of non-commissioned officers to the ranks on the awarding of	
certain punishments . . . . .	153
remission or mitigation of, awarded by court-martial . . . . .	165
solitary confinement . . . . .	153
limit of . . . . .	165
Reserve forces: extension of privilege from arrest and attachment . . . . .	160
Rules . . . . .	166
Witnesses— <i>see</i> Courts-martial <i>above</i> .	
Indian Articles of War, 1869, repealed . . . . .	171
Indian Article of War Amendment Act, 1894, repealed . . . . .	<i>ib.</i>
Indian Arbitration Act, 1899, repealed in part . . . . .	428, 472
Indian Articles of War Amendment Act, 1900, repealed . . . . .	171
Indian Articles of War Amendment Act, 1901, repealed . . . . .	<i>ib.</i>
Indian Articles of War Amendment Act, 1904, repealed . . . . .	<i>ib.</i>
Indian Articles of War Amendment Act, 1905, repealed . . . . .	<i>ib.</i>
Indian Christian Marriage Act, 1872, section 81 substituted . . . . .	197
Indian Christian Marriage (Amendment) Act, 1911 . . . . .	<i>ib.</i>
Indian Companies Act, 1913 . . . . .	346
Accounts— <i>see</i> Company.	
Arbitration: application of Indian Arbitration Act, 1899 . . . . .	399, 414
Articles of Association— <i>see</i> Company.	
Associations not for profit . . . . .	354
Auditors, appointment, qualifications, etc., of . . . . .	396, 454
powers and duties of . . . . .	397
report of . . . . .	397, 398
<i>See also</i> Balance-sheet.	
Balance-sheet . . . . .	392
audit of . . . . .	<i>ib.</i>
auditor's report or reference thereto to be attached to . . . . .	392, 397
authentication of . . . . .	393
contents of . . . . .	392, 384

**Indian Companies Act, 1913—cont'd.****Balance-sheet—cont'd.**

copy of, with auditor's report to be forwarded to registrar . . . . .	393
right of members to obtain copy of . . . . .	<i>ib.</i>

**Banking Company to publish statement in third Schedule—**

with limited liability, registration of notice to customers . . . . .	428
---	-----

Banks of Bengal, Bombay and Madras, Act not to apply to, save as provided in sections 188, 189 . . . . .	438
--	-----

Benefit societies to publish statement in third Schedule . . . . .	393
--	-----

Bills of exchange, etc., drawing, acceptance or endorsement by Company . . . . .	374
--	-----

**Capital—see Company.**

Commission and discount, payment of . . . . .	383, 384, 387
to be shown in balance-sheet . . . . .	384

**Company—**

accounts, true and complete, to be kept by . . . . .	392, 453, 454
annual list of members of . . . . .	356
articles of association . . . . .	353
British register, provisions as to . . . . .	359
capable of being registered under Act . . . . .	426
capital, publication of authorized as well as subscribed and paid-up . . . . .	368
carrying on business with less than minimum number of members . . . . .	398
certificate of incorporation . . . . .	354
certificate of shares, debenture and debenture stock, duty as to issue of . . . . .	385
commencement of business or exercise of borrowing powers by, restrictions on . . . . .	381
defunct, power of registrar to strike off register: proceedings: application to Court for restoration . . . . .	423
dissolution of, on completion of winding up . . . . .	408, 415
power of Court to declare dissolution invalid . . . . .	421
established outside British India, having a place of business within British India, provisions as to . . . . .	435
existing companies, authentication of statements of . . . . .	428
general provisions as to memorandum and articles of association . . . . .	354
incorporation . . . . .	349, 354
limited, reserve liability of . . . . .	366
limited by guarantee, provisions as to . . . . .	349, 355
increase and reduction of share capital by . . . . .	365
limited by share . . . . .	349
alteration of share capital by . . . . .	361
meetings . . . . .	368, 371, 446, 449
members of, who are . . . . .	356
register of . . . . .	<i>ib.</i>
memorandum of association of . . . . .	349, 354
alteration of; procedure, registration . . . . .	350, 351, 352
limited by guarantee . . . . .	349
limited by share . . . . .	<i>ib.</i>
name of, restrictions as to name, change of name . . . . .	350
publication of, by limited company . . . . .	367, 368

Indian Companies Act, 1913—*contd.*Company—*contd.*

notice of consolidation of share capital, conversion of shares into stock, etc.	{ 361, 362 445, 446
notice of increase of share capital, or of members	362
office and name	367, 368
power of, as regards shares	360
proceedings, minutes of	372
register is evidence	359
entry in, when share warrant issued	360
inspection of	357
power to close	358
rectification of notice	358, 359
registered under former Companies Acts	425, 426
registration of unlimited, as limited	365, 366
registration under Part VIII, requirements for, in case of joint stock companies	427
in case of other companies	428
resolutions, extraordinary and special	371, 372
United Kingdom, power to keep branch register in,	359
when deemed unable to pay its debts	462
Compromise	399
Contracts, form and execution	373, 374
Contributories defined	401
in case of death or insolvency of member	402
liability of directors	401
liability of present and past members as	400
may be consulted as regards winding up	404
nature of liability of	401
powers of Court in respect of, on winding up by Court	407, 408, 410
Court having jurisdiction	348
power of, to grant relief to directors, etc., in certain cases	437
power of, to order limited company to give security for costs	46
proceedings in wrong Court not invalid	348
<i>See also</i> Contributories.	
Creditors, consent of, to alteration of memorandum	351
objection by, to reduction of share capital	363, 364
Debentures and floating charges	390
certain debts entitled to priority over debentures secured by floating charge	392
commission, allowance, discount, etc., in respect of debentures	387
contract to subscribe for debentures: specific performance of	391
holders of, entitled to inspect and get copies of auditor's report and balance-sheet	398
holders of, entitled to sufficient notice before alteration of memorandum of association is confirmed	351
inspection and taking copies	390
particulars in the case of series of debentures	110
perpetual debentures not invalid	390

	Pages.
<b>Indian Companies Act, 1913—<i>contd.</i></b>	
<b>Debentures and floating charges—<i>contd.</i></b>	
power to re-issue redeemed debentures . . . . .	386
register of . . . . .	385, 389
register of debenture-holders : inspection of . . . . .	390
Definitions . . . . .	347, 348, 356, 368, 377, 378, 399, 401, 403, 427, 431, 432 and 435
Deposit societies to publish statement in third Schedule . . . . .	393
Directors— <i>see also</i> Prospectus ; Winding up—	
appointment, qualifications, etc. . . . .	372, 373, 449, 450-453
authentication of balance-sheet by . . . . .	393
damages, application against, in winding up for, deemed a suit for purposes of Indian Limitation Act, 1908 . . . . .	420
list of . . . . .	373
power of Court to grant relief to, in certain cases of negligence or breach of trust . . . . .	437
proceedings of . . . . .	452
public examination of . . . . .	409
unlimited liability of . . . . .	366-367
Dissolution— <i>see</i> Company ; Winding up, voluntary.	
Dividends and reserve . . . . .	453
Documents of company are evidence in winding up . . . . .	421
inspection and disposal of, during and after winding up . . . . .	<i>ib.</i>
service and authentication of . . . . .	398
saving of, made before commencement of Act . . . . .	438
False statement, penalty for . . . . .	437
Fees . . . . .	425, 429, 436
Fines, application of . . . . .	437
Forms . . . . .	398
Inspectors—	
appointed by Court on application . . . . .	395
evidence in support of application . . . . .	<i>ib.</i>
examination and report by . . . . .	<i>ib.</i>
appointed by company . . . . .	396
power of . . . . .	395, 396
report of, to be evidence . . . . .	396
Interest, payment of, out of capital . . . . .	384
Insurance Companies, statement in third Schedule to be published by certain . . . . .	393
Joint stock company defined for purposes of Part VIII . . . . .	427
requirements for registration under Part VIII, by . . . . .	<i>ib.</i>
Liability— <i>see</i> Contributories ; Directors.	
“ Limited ”—	
company outside British India using the word . . . . .	436
name of company with limited liability must contain the word . . . . .	349, 427, 429
improper use of the word . . . . .	437
Liquidators— <i>see</i> Winding up.	
Members— <i>see</i> Company.	
Memorandum of Association— <i>see</i> Company ; Debentures and floating charges.	

Indian Companies Act, 1913—*contd.*

## Mortgage or charge, etc.—

copy of instrument creating, to be kept at company's registered office . . . . .	388, 389
created by company after commencement of Act to be void in certain cases unless registered . . . . .	385, 386
penalty for non-registration . . . . .	389
register of, to be kept by registrar . . . . .	387
rectification of . . . . .	388
to be kept by company : inspection of . . . . .	389
receiver's accounts and notices to be entered in . . . . .	388
registration of, with registrar . . . . .	<i>ib.</i>
certificate of . . . . .	387
certificate of, to be endorsed on debenture or certificate of debenture stock . . . . .	<i>ib.</i>
satisfaction of, to be entered on register . . . . .	389

Notices . . . . .	454, 455
-------------------	----------

Offences against Act, courts which may take cognizance of . . . . .	437
to be non-cognizable . . . . .	<i>ib.</i>

Partnerships exceeding certain number prohibited . . . . .	348
--	-----

Payment of commission and discount . . . . .	383, 384, 387
of dividends . . . . .	453
of interest out of capital . . . . .	384

Private company defined . . . . .	347
conversion of, into public company . . . . .	399
not required to send balance-sheet and auditor's report to registrar, members, etc. . . . .	392, 393, 398
restrictions as to appointment of auditors not applicable to . . . . .	397

Prospectus defined . . . . .	348
filing, and requirements as to particulars . . . . .	375, 377
effect of non-compliance . . . . .	377
liability of directors and others for statements in, . . . . .	378
restrictions or alteration of terms mentioned in prospectus or statement . . . . .	<i>ib.</i>
statement in lieu of, . . . . .	<i>ib.</i>
waiver of compliance, condition for, void against applicant for share or debenture . . . . .	377
who may not be proposed as directors in . . . . .	372

## Provident societies—

statement in third Schedule to be filed by certain, . . . . .	393
Public examination of promoter, director, manager or other officer . . . . .	409
Receiver, appointment of, to be registered . . . . .	388
filing of accounts of, and notice of ceasing to act by, . . . . .	<i>ib.</i>
Registrar and assistant registrar, appointment of, . . . . .	424
existing registrars, registers, continued . . . . .	438
fees to be paid to, . . . . .	425
exemption of certain companies from payment of fees . . . . .	428
inspector appointed on report of . . . . .	395
power of, to require evidence as to nature of company . . . . .	428
power of, to call for information or explanation . . . . .	394

	Pages
<b>Indian Companies Act, 1913—<i>contd.</i></b>	
Registration office : continuance of existing offices . . . . .	424, 433
Registration under Part VIII and effect thereof . . . . .	427, 432
Rules : power of Governor General in Council to make . . . . .	398
<i>See also</i> Winding up.	
Seal . . . . .	354, 374, 450
Shares : allotment of share capital . . . . .	380, 381
calls on . . . . .	441
certificate of share or stock held by a member . . . . .	356
company not to buy, or lend on security of, its own . . . . .	440
company's lien on . . . . .	440, 441
forfeiture of . . . . .	443, 444
Shares—	
nature, issue, renewal and transfer of . . . . .	355, 357, 439, 440, 442, 443
notice to registrar of consolidation of share capital and conversion of share into stock . . . . .	361, 362, 444
reduction of share capital . . . . .	362-363
return as to allotment . . . . .	382
share warrants to bearer . . . . .	359, 360, 444-445
effect of issue of . . . . .	360
rights and position of bearer of . . . . .	<i>ib.</i>
surrender of . . . . .	<i>ib.</i>
summary, distinguishing different kinds of, and specifying certain parti- culars as to, to be prepared annually . . . . .	356
when may be accepted by liquidator in voluntary winding up as consider- ation of sale of property of company being wound up . . . . .	414
Statement—	
in Form G, third Schedule, to be published by certain companies . . . .	393
in lieu of prospectus— <i>see</i> Prospectus.	
Stock : effect of conversion of shares into, . . . . .	362
reconversion of, into paid-up shares : notice . . . . .	361
<i>See also</i> Company ; Shares.	
Table . . . . .	398
Trust—	
breach of, by directors — <i>see</i> Directors.	
notice of, not to be entered in register of company . . . . .	357
Winding up—	
affidavits . . . . .	422
avoidance of certain attachments, executions, etc., on, . . . . .	419
avoidance of certain transfers on, . . . . .	417
debts of all descriptions to be proved in, . . . . .	<i>ib.</i>
different modes of . . . . .	400
floating charges, effect of, on . . . . .	419
fraudulent preference . . . . .	418
insolvent companies, application of insolvency rules in winding up of . .	417
liabilities of delinquent directors, promoters, etc. . . . .	419, 420
liquidators, general powers of . . . . .	419
meetings to ascertain wishes of creditors or contributories . . . . .	420



	Pages.
Indian Companies Act, 1913— <i>conold.</i>	
Winding up— <i>conold.</i>	
pending liquidations, information as to . . . . .	421
preferential payments . . . . .	417
"registered office" defined for purposes of jurisdiction in, . . . .	348
rules . . . . .	422
saving of pending proceedings . . . . .	438
unregistered companies, of . . . . .	432-435
Winding up by Court . . . . .	402-411
power of Court to adopt proceedings taken in voluntary winding up .	416
Winding up subject to supervision of Court . . . . .	416, 417
power to order voluntary winding up to continue as . . . . .	416
Winding up, voluntary . . . . .	411, 415
no bar to winding up by Court . . . . .	416
Indian Companies Act, 1882 -	
net to supersede or affect rights of Administrator General . . . . .	330
repealed . . . . .	438, 472
Indian Companies Act (1882) Amendment Act, 1887, repealed . . . . .	<i>ib.</i>
Indian Companies Act, 1882, section 131 amended . . . . .	276
Indian Companies (Amendment) Act, 1910, repealed . . . . .	438, 472
Indian Companies (Branch Registers) Act, 1900, repealed . . . . .	<i>ib.</i>
Indian Companies (Memorandum of Association) Act, 1895, repealed . . . .	<i>ib.</i>
Indian Criminal Law Amendment Act, 1913—	
Criminal conspiracy—	
definition and punishment . . . . .	473
cognizance of offence . . . . .	474
amendment of procedure in cases of . . . . .	473, 474
Indian Divorce Act, section 7 amended . . . . .	291
Indian Electricity Act, 1910—	
Accidents, notices and inquiries . . . . .	52
Acquisition of land on behalf of individuals, not being companies, for purposes of undertaking . . . . .	59
Advisory Board, constitution, duties, etc., of . . . . .	53
Aërial lines— <i>see</i> Tross, Works, <i>below.</i>	
Annual accounts of licensee . . . . .	38, 54
audit of accounts . . . . .	60
Arbitration . . . . .	58
Attachment, exemption of supply lines, etc., from, in certain cases . .	47
Damage, licensee should cause as little, as possible . . . . .	45
compensation to be paid for . . . . .	<i>ib.</i>
ascertainment of, by arbitration, in case of dispute . . . . .	<i>ib.</i>
Definitions . . . . .	30
Drains, sewers, etc., broken up, to be reinstated without delay . . . .	44
parts broken up, to be lighted at night . . . . .	<i>ib.</i>
Earth, connection with, not to be made except with special sanction of Governor General in Council . . . . .	52
Electric inspector . . . . .	53, 54
• appeal from, to lie to Local Government . . . . .	54
delegation of certain powers of Local Government to . . . . .	58

Indian Electricity Act, 1910—*con'd.*

	Pages.
Entry and inspection by electric inspector or other officer . . . . .	54
by licensee or person authorized . . . . .	45
License for supply of energy and for laying down supply lines—	
application for, and grant of; fees . . . . .	31, 54
application for, by local authority . . . . .	32
amendment of . . . . .	34
grant of, to one, no bar to grant to another in respect of same area . . . . .	32
licensee not to acquire, or associate with business of supplying energy, under any other license . . . . .	37, 38
not to be transferred without previous consent in writing of Local Government . . . . .	38
objection to grant of . . . . .	32, 54
purchase of, power of Government to vary terms of . . . . .	38
revocation of . . . . .	33, 34
notice of, to be given to licensee and local authority . . . . .	34
purchase of undertaking on . . . . .	<i>ib.</i>
undertaking how disposed of on, where no purchase is made . . . . .	35
with consent, or on application, of licensee, provision as to disposal of undertaking . . . . .	37
Local authority ( <i>see also</i> License <i>above</i> )—	
option of, to purchase undertaking of licensee whose license is revoked . . . . .	34, 35
option of, to purchase undertaking of any licensee, not being a local authority . . . . .	36
power of, to waive option and enter into agreement with licensee for working of the undertaking by him . . . . .	37
provision as to purchase or disposal of undertaking on revocation of license of . . . . .	36
Local Government—	
option of, to purchase undertaking of licensee, not being a local authority . . . . .	<i>ib.</i>
Non-licensee—	
sanction required for supply of energy by; conditions of grant of sanction . . . . .	49
streets, etc., breaking up of, by . . . . .	50
transmission and use of energy by, restrictions upon . . . . .	<i>ib.</i>
Offences and penalties . . . . .	55-57
institution of prosecutions . . . . .	57
Pipes or wires, alteration of, by licensee; notice to be given, procedure, compensation . . . . .	41
Protection of person or property from injury . . . . .	51
of railways, tramways, canals, waterways, docks, wharves and piers . . . . .	51
of telegraph, telephone and electric signal lines . . . . .	51, 54
to persons acting under Act . . . . .	58
Recovery of sums recoverable under certain provisions of Act . . . . .	<i>ib.</i>
Rules . . . . .	54, 55
Service of notices, etc. . . . .	54, 58
Streets, railways, tramways broken up to be reinstated without delay . . . . .	44
parts opened or broken up to be lighted at night . . . . .	<i>ib.</i>
<i>See also</i> Non-licensees <i>above</i> , and Works <i>below</i> .	

	Pages.
Indian Electricity Act, 1910— <i>concl'd.</i>	
Supply of energy—	
area of supply, plan of . . . . .	67
by bulk licensee . . . . .	64
by non-licensee . . . . .	49, 50
charges for, to be made without undue preference . . . . .	46, 47
provisions as to . . . . .	66, 67
discontinuance of, to consumer neglecting to pay charges till charges are paid . . . . .	47
energy supplied under one method of charging not to be used for purpose for which higher method of charging is in force . . . . .	<i>ib.</i>
for public lamps . . . . .	64
grant of license for . . . . .	31
meter, amount of supply to be ascertained by . . . . .	47
“correct” meter defined . . . . .	49
provisions as to . . . . .	47
obligation of licensee to make; compulsory work and supply . . . . .	46, 54, 60, 62
outside area of supply . . . . .	49
<i>See also</i> License <i>above</i> .	
Supply lines—	
grant of license to lay down . . . . .	31
<i>See</i> Works <i>below</i> .	
Telegraph authorities, powers of, under Indian Telegraph Act, 1885, may be conferred on certain persons . . . . .	57
Telegraph line— <i>see</i> Protection <i>above</i> ; Works <i>below</i> .	
Testing and inspection . . . . .	54, 55, 59-67
Trees near aerial lines, removal of . . . . .	45
Use of energy, restriction on licensee's controlling or interfering with . . . . .	46
Works—	
Aerial lines, special provisions as to placing of stay or strut for . . . . .	38, 39
placing of, in case of emergency . . . . .	41
removal of trees near . . . . .	45
restriction on placing of, along or across street, railway, tramway, canal or waterway . . . . .	<i>ib.</i>
Laying of supply lines or other works near any sewer, drain, water-course or other public work or near electric supply line or work of any licensee; notice to be given and procedure, compensation . . . . .	43, 54
Laying or placing of works within ten yards of telegraph wire; notice to be given, procedure; exception in case of emergency . . . . .	44
New works to be placed in, under, over, along or across any street, railway, tramway, canal or waterway; notice to be given and procedure, compensation . . . . .	39, 68
Power to alter position of supply lines or other works . . . . .	41
Power to lay down supply lines and other works . . . . .	38
Restriction on power of laying down or placing of, in, through or against any building and certain other places; compensation . . . . .	<i>ib.</i>
Indian Electricity Act, 1903, repealed . . . . .	59
Indian Electricity Act, 1910 . . . . .	30
Indian Emigration Act, 1908, section 5 substituted . . . . .	74
Indian Emigration Act, 1910 . . . . .	<i>ib.</i>

	Pages.
Indian Evidence Act, 1872. Application of, to proceedings before Court-martial . . . . .	162
Indian Extradition Act, 1903—	
Section 7 amended . . . . .	296
Section 8A inserted . . . . .	297
Indian Extradition (Amendment) Act, 1913 . . . . .	296
Indian Factories Act, 1881, repealed . . . . .	184
Indian Factories Act, 1891, repealed . . . . .	<i>ib.</i>
Indian Factories Act, 1911 . . . . .	178
Abstract of, and of rules to be affixed in factories . . . . .	188
Accident— <i>see</i> Factories <i>below</i> .	
Age, evidence of . . . . .	192
Application of Act : certain provisions not to apply to mines, electrical stations and certain other factories ; power to extend Act in certain cases . . . . .	170
Appeal from order of inspector . . . . .	193
Burma— <i>see</i> Holiday.	
Certifying surgeons, appointment of, grant of certificate by, delegation of functions by . . . . .	181, 182
Children, register of . . . . .	188
<i>See also</i> Employment.	
Crown factories, application of Act to . . . . .	194
Definitions of “factory,” “inspector,” “mill-gearing,” “occupier,” “system of shifts,” “textile factory” . . . . .	179
Employment—	
computation of hours of . . . . .	194
daily stoppage of work for half an hour : exceptions . . . . .	184
in textile factories : hours of : exceptions . . . . .	187
notice of hours of, and period of stoppage to be affixed and sent to inspector of women or children prohibited in certain dangerous work or near cotton-openers . . . . .	184
prohibited in two factories on same day . . . . .	186
hours of : exception as to women . . . . .	<i>ib.</i>
of children, provisions as to . . . . .	<i>ib.</i>
in textile factories, limitation of hours of . . . . .	187
presumption of, if found inside factory . . . . .	192
of women, provisions as to hours of : exception . . . . .	186
<i>See</i> Holiday.	
Evidence of age . . . . .	192
Governor (General in Council to have all powers of Local Government under Act . . . . .	194
Factories . . . . .	183
doors of, to open outwards . . . . .	<i>ib.</i>
fencing of parts of . . . . .	<i>ib.</i>
fire, precautions against and provision for escape in case of . . . . .	<i>ib.</i>
latrines, etc. . . . .	<i>ib.</i>
lighting of . . . . .	182
notice of accidents in . . . . .	188
notice to be given by person occupying . . . . .	187

	Pages.
Indian Factories Act, 1911— <i>contd.</i>	
Factories— <i>contd.</i>	
parts of, power to declare to be separate factories . . . . .	194
power to exempt from Act, in case of emergency . . . . .	<i>ib.</i>
returns to be furnished by owners or managers of . . . . .	190
sanitary provisions for . . . . .	182
ventilation of, provisions for . . . . .	<i>ib.</i>
water-supply for drinking and humidifying . . . . .	182, 183
Holiday, weekly ; exception . . . . .	185
special provision for Burma . . . . .	194
Inspectors—	
appointment and general powers of : to be deemed public servants . . . . .	180-181
appeal from certain orders of . . . . .	193
Notices and abstract to be affixed . . . . .	188
Notices— <i>see</i> Employment <i>above</i> .	
Penalties . . . . .	190, 192
exemption of occupier or manager, in certain cases . . . . .	191
Prosecutions : sanction and limitation . . . . .	192
Protection to persons acting under Act . . . . .	194
Rules . . . . .	189, 190
Time, computation of . . . . .	193
Women— <i>see</i> Employment <i>above</i> .	
Indian Forest Act, 1878—	
Section 2, sub-clause (a), amended . . . . .	198
Section 26 amended . . . . .	<i>ib.</i>
Section 31 amended . . . . .	<i>ib.</i>
Section 39 amended . . . . .	<i>ib.</i>
Section 77, proviso, repealed . . . . .	<i>ib.</i>
Indian Life Assurance Companies Act, 1912 . . . . .	264
not affected by Act VII of 1913 . . . . .	438
Act applies to all persons or bodies of persons doing Life Assurance business in British India . . . . .	265
power to exempt from provisions of . . . . .	276
Act VI of 1882, Companies Act—	
section 74, exemption from, in certain cases . . . . .	268
section 84 to apply to examinations by inspector under Act . . . . .	275
section 131, amendment of . . . . .	276
Act V of 1912, Provident Insurance Societies Act—	
saving of societies registered under . . . . .	265
custody and inspection of documents deposited with Governor General in Council . . . . .	273
definitions . . . . .	264
delegation of powers to Local Governments . . . . .	276
forms . . . . .	267, 268, 272
alteration of . . . . .	273
Fund, life assurance— <i>see</i> Life Assurance Companies.	
Inspectors, appointment of, and examination by . . . . .	275

Indian Life Assurance Companies Act, 1912—*contd.*

Life Assurance Companies—	
deposit to be made by . . . . .	266
doing other business to keep life assurance fund separate; exception of certain existing companies . . . . .	<i>ib.</i>
deposit to form part of life assurance fund . . . . .	<i>ib.</i>
appropriation of life assurance fund . . . . .	267
accounts and balance-sheets . . . . .	267, 277, 280
actuarial report and abstract . . . . .	267, 284
actuarial report and abstract in case of mutual companies . . . . .	<i>ib.</i>
statement of life assurance business . . . . .	268, 287
deposit of accounts, balance-sheets, abstracts, statements with Governor General in Council: exemption from Act VI of 1882 . . . . .	268
power of Governor General in Council to call for further statement . . . . .	<i>ib.</i>
custody and inspection of documents deposited . . . . .	273
copies of accounts, balance-sheets, etc., to be forwarded to share-holder or policy-holder on application . . . . .	269
audit . . . . .	<i>ib.</i>
list of share-holders . . . . .	<i>ib.</i>
deed or instrument constituting: copies to be kept and supplied to share-holders and policy-holders on application . . . . .	<i>ib.</i>
publishing amount of authorized capital must also publish amounts of subscribed and paid-up capital . . . . .	<i>ib.</i>
established outside British India . . . . .	<i>ib.</i>
amalgamation or transfer, sanction of Court . . . . .	270
statements and documents to be filed on . . . . .	<i>ib.</i>
winding up . . . . .	271
valuation of accounts and policies: alteration of rules in Schedule 6 . . . . .	272, 288
reduction of contracts . . . . .	272
publication of accounts of . . . . .	273
carrying on business in the United Kingdom . . . . .	273, 274
Notices, service of . . . . .	275
Penalties and cognizance of offences . . . . .	274, 275
Proof of documents and copies . . . . .	278
Rules . . . . .	276
Saving of societies registered under Provident Insurance Societies Act, 1912 . . . . .	265
Indian Limitation Act, 1908, to apply to certain applications as if they were suits . . . . .	420
Indian Lunacy Act, 1912 . . . . .	225
Asylums, establishment of . . . . .	245
into which admission may be ordered . . . . .	231, 245
reception of boarders in . . . . .	227
Bonds, provisions of Code of Criminal Procedure to apply to . . . . .	247
Chartered High Courts, saving of powers of . . . . .	226
Commissioners of Police in Presidency-towns and Rangoon, powers of . . . . .	230
Criminal lunatics, reception and detention of . . . . .	227, 232
inspection of . . . . .	233
Definitions . . . . .	226
Detention pending report by medical officer in certain cases . . . . .	230

	Pages.
Indian Lunacy Act, 1912— <i>contd.</i>	
Detention— <i>contd.</i>	
pending removal to asylum . . . . .	231
Discharge of lunatics, by order of visitors . . . . .	233.
on application of person on whose petition reception order was made . . . . .	234
in case of lunatics subject to Army Act . . . . .	<i>ib.</i>
on undertaking of relative for due care of lunatic . . . . .	<i>ib.</i>
found on inquisition not to be lunatic . . . . .	<i>ib.</i>
Escape and recapture . . . . .	235
Forms in Schedule . . . . .	247
Inquisition—	
(i) in Presidency-towns . . . . .	235-240
power of Court to make rules . . . . .	240
(ii) outside Presidency-towns . . . . .	240-244
Court of Wards or Collector when to take charge; control over Collector's proceedings . . . . .	242
Maintenance of lunatic—	
in case of reception order . . . . .	229
in case of inquisition . . . . .	232
when to be paid by Government . . . . .	245
power to apply property or estate of lunatic towards payment of cost of . . . . .	245, 246.
saving of liability of relatives for . . . . .	246
Medical certificates . . . . .	231
amendment of . . . . .	232
Medical examination of lunatic, time and manner of . . . . .	231
Pensions payable by Government to lunatic: payment and application of . . . . .	247
Police, powers and duties of, in respect of wandering and dangerous lunatics . . . . .	229
Reception or detention of lunatics in asylum, restriction on . . . . .	227
penalty for improper . . . . .	247
of lunatics received from outside British India . . . . .	247, 248
Reception after inquisition . . . . .	232
Reception order on petition . . . . .	227, 229
Reception order, otherwise than on petition—	
in the case of lunatic soldier subject to Army Act . . . . .	229
in the case of lunatics not under proper care or control . . . . .	230.
in the case of wandering and dangerous lunatics . . . . .	<i>ib.</i>
Reception order to be sufficient authority for reception or detention in asylum . . . . .	231
certified copy of, to be sent to person in charge of asylum . . . . .	<i>ib.</i>
amendment of . . . . .	232
Removal of lunatics . . . . .	234
Repeal of enactments . . . . .	248
Rules . . . . .	246, 247
Saving of orders, etc., under repealed Acts . . . . .	248
Suits, prosecutions, etc., against persons acting under Act, barred . . . . .	247
Visitors, appointment of, and inspection of asylums by . . . . .	233
Indian Lunatic Asylums Act, 1858, repealed . . . . .	254
Indian Lunatic Asylums Act (1858) Amendment Act, 1886, repealed . . . . .	<i>ib.</i>
Indian Lunatic Asylums Act (1858) Amendment Act 1889, repealed . . . . .	<i>ib.</i>

	Pages.
Indian Museum Act, 1876, repealed . . . . .	73
Indian Museum Act, 1887, repealed . . . . .	<i>ib</i>
Indian Museum Act, 1910—	
Collections belonging to Asiatic Society of Bengal to be kept distinguished and restored on determination of trust . . . . .	72, 73
Collections not belonging to trustees may be kept in Museum, but not to become property of Crown on determination of trust . . . . .	72
power of trustees in respect of— <i>see</i> Trustees.	
to vest in Crown on determination of trust . . . . .	73
Officers and servants to be public servants and subject to Civil Service Regulations . . . . .	72
Trustees, constitution, incorporation, powers and duties of . . . . .	69-72
property vested in . . . . .	70, 72
reports and accounts to be furnished by . . . . .	71
Trustees under Act XXII of 1876 to vacate office . . . . .	70
Indian Paper Currency Act, 1905, repealed . . . . .	17
Indian Paper Currency Act, 1910—	
Appointment and subordination of officers . . . . .	12
Bills payable to bearer on demand, prohibition of issue of, by private persons; penalty . . . . .	16
Commissioner of Paper Currency . . . . .	12
Currency agency . . . . .	<i>ib.</i>
Currency agent . . . . .	<i>ib.</i>
Currency notes—	
amount of, in circulation not to exceed reserve . . . . .	14
circles and offices for issue of . . . . .	12
issue of, for gold or silver coin . . . . .	13
issue of, for certain gold or silver coin or gold or silver bullion or securities held by the Secretary of State . . . . .	<i>ib.</i>
issue of, to Government treasuries . . . . .	<i>ib.</i>
issued from Cawnpore under Act III of 1905 . . . . .	17
other than universal currency notes to bear name of town of issue . . . . .	13
provision and distribution of . . . . .	12
provision in case of closure of office of issue . . . . .	14
signature to . . . . .	13
town of issue of, where issued by Currency agency . . . . .	14
where legal tender . . . . .	13
where payable . . . . .	14
Department of Paper Currency . . . . .	12
abstract of accounts of . . . . .	16
Head Commissioner of Paper Currency . . . . .	12
Reserve coin, bullion and securities . . . . .	14
coin and bullion during transit between England and India to remain part of . . . . .	15
interest on Indian securities forming part of reserve account, to be furnished . . . . .	16
power to deal with reserve . . . . .	15
power to sell and replace Indian securities forming . . . . .	<i>ib.</i>
Rules . . . . .	16



	Pages.
<b>Indian Paper Currency Act, 1910—<i>contd.</i></b>	
Securities which may form reserve, nature and amount of . . . . .	15
Trustees of Indian securities forming part of reserve . . . . .	<i>ib.</i>
‘ Universal currency note ’ defined . . . . .	11
Indian Paper Currency Act, 1910, section 22 amended . . . . .	131
Indian Patents and Designs Act, 1911 . . . . .	93
Appeal— <i>see</i> Patent, specification, <i>below</i> .	
to Governor General in Council : period of limitation ; assistance of expert	114
Assessors— <i>see</i> Infringement <i>below</i> .	
Commencement . . . . .	93
Controller of Patents and Designs— <i>see also</i> Design ; Patent, specification, <i>below</i> .	
appointment of . . . . .	112
to have control of patent office . . . . .	<i>ib.</i>
powers of, may be exercised by any officer authorized by Governor General	
in Council . . . . .	<i>ib.</i>
reports by or into, not to be published or open to public inspection . . . .	<i>ib.</i>
to have certain powers of civil courts . . . . .	114
to issue publication of patented inventions . . . . .	<i>ib.</i>
to give party an opportunity of being heard before exercising discretionary	
power to his prejudice . . . . .	<i>ib.</i>
power to take directions of Governor General in Council . . . . .	<i>ib.</i>
power to refuse to grant patent or register design on ground of illegality or	
immorality . . . . .	<i>ib.</i>
right of, to be heard in legal proceedings . . . . .	98, 100, 101, 113
Copies—	
transmission of certified, printed copies of specifications, etc., to be sent to	
certain Local Governments and other authorities . . . . .	114
Copyright— <i>see</i> under Design <i>below</i> .	
Crown—	
saving of right of, in relation to grant, etc., of letters patent . . . . .	116
<i>See also</i> Patent <i>below</i> .	
Definitions . . . . .	93
Design—	
application for registration of . . . . .	107
when deemed to be abandoned for default of applicant . . . . .	108
on abandonment or refusal of application, drawings, specimens, etc.,	
not to be published or open to public inspection . . . . .	112
application to, of certain provisions relating to patents . . . . .	111
article to which a registered design has been applied, requirements before	
delivery on sale of . . . . .	109
power of Governor General in Council to modify requirements . . . .	<i>ib.</i>
clerical error in representation of, power of Controller to correct . . . .	113
copyright on registration of . . . . .	108
extension of period of . . . . .	108, 109
effect of, etc. . . . .	111
effect of disclosure on . . . . .	109
information as to existence of . . . . .	110
inspection of design during period of copyright . . . . .	109
inspection and taking copies of registered designs . . . . .	<i>ib.</i>

Indian Patents and Designs Act, 1911—*contd.*Design—*contd.*

legal proceedings on piracy of registered design ; application of provisions relating to patents . . . . .	111
registration of . . . . .	107
in new classes . . . . .	108
certificate of . . . . .	<i>ib.</i>
copies of certificate of, granted on loss of original . . . . .	<i>ib.</i>
date of . . . . .	<i>ib.</i>
power of Controller to refuse ; appeal to Governor General in Council . . . . .	<i>ib.</i>
power to Controller to cancel . . . . .	113

Disability, declaration, act, etc., on behalf of infant, lunatic or person under . . . . .	115
--	-----

Drawing—*see* specification.

## Evidence—

register to be evidence . . . . .	101, 108
certificate of Controller to be evidence . . . . .	114

*See also* Patent *below*.

## Exhibitions—

effect of exhibiting invention at . . . . .	106
designs at . . . . .	110

Expert—*see* Appeal.

Extent . . . . .	93
------------------	----

Fees, in respect of grant of patents and registration of designs . . . . .	112
invalidity of proceedings on non-payment of . . . . .	<i>ib.</i>

## Foreign vessels—

patents how far binding on . . . . .	107
--------------------------------------	-----

Governor General in Council—*see* Design ; Patent, specification, *below*.Indian Museum—*see* Model *below*.Infant—*see* Disability.

## Infringement—

of copyright in register of design . . . . .	111
of patent—	
no proceedings for, until patent granted . . . . .	96, 97
no proceedings for infringement committed before publication of specification . . . . .	97
power to refuse damages for infringement committed after failure to pay fee . . . . .	98
damages for, not recoverable from person not aware of patent . . . . .	105
suit for : grounds of defence to suit . . . . .	104
proceedings in suit for : assessors to be called in . . . . .	105
remedy in case of groundless threats of legal proceedings for alleged infringement . . . . .	<i>ib.</i>

*See also* Patent *below*.

Invention : what is new . . . . .	106
-----------------------------------	-----

Lunatic—*see* Disability *above*.Model—*see* specification *below*.

to be supplied to Indian Museum . . . . .	107
---	-----

Museum—*see* Indian Museum *above*.

Indian Patents and Designs Act, 1911— <i>con'd.</i>	Pages,
Patent—	
amendment of application, specification, drawing, by way of disclaimer, correction or explanation : application for and procedure thereon ; appeal to Governor General in Council . . . . .	99
application for grant of : contents, form, etc., of . . . . .	94
<i>See</i> Fee ; specification, <i>below</i> .	
advertisement, on acceptance ; public inspection . . . . .	96
examination of, by Controller ; power to refuse to accept, or require amendment ; appeal to Governor General in Council . . . . .	95
power of Controller to correct clerical errors . . . . .	112
when application is abandoned or becomes void, specification, drawings, etc., not to be published or open to public inspection . . . . .	<i>ib.</i>
date of, on amendment . . . . .	95
to be void on non-acceptance within twelve months, power to extend time . . . . .	96
use of invention after acceptance of . . . . .	<i>ib.</i>
deeds, licenses and other documents relating to ; copies of, to be supplied to Controller ; not receivable in evidence if copies not supplied . . . . .	101
Crown bound by, power to use invention for service of Crown . . . . .	<i>ib.</i>
compulsory license, petition for grant of, and procedure thereon ; reference to High Court . . . . .	<i>ib.</i>
certificate of validity of, power of Court to grant in suit for infringement : effect of certificate . . . . .	105
correction by Controller of clerical errors in . . . . .	112
date of . . . . .	97, 98
grant of, not to be prejudiced by use of invention between acceptance of application and sealing of patent . . . . .	96
grant and sealing of . . . . .	97
<i>See</i> Infringement, specification.	
grant of, to true inventor, on revocation . . . . .	98
grant of, to two or more persons . . . . .	106
grant of duplicate . . . . .	<i>ib.</i>
effect, extent and form of . . . . .	97
not invalidated by fraudulent application . . . . .	<i>ib.</i>
opposition to grant of : decision of Controller and appeal to Governor General in Council . . . . .	96
extension of term of : petition for and procedure thereon : reference to High Court . . . . .	98
lapse of, for non-payment of fee(s) : power to extend time . . . . .	<i>ib.</i>
restoration of lapsed patent : application for and procedure thereon, appeal to Governor General in Council . . . . .	99
revocation of : grant to true inventor in lieu of revoked patent . . . . .	98
<i>See</i> Register <i>below</i> .	
revocation of . . . . .	100-104
sample— <i>see</i> specification <i>below</i> .	
specification to accompany application for grant of patent . . . . .	94
contents of : power of Controller to require drawing, model, sample . . . . .	95
amendment of, by Court . . . . .	100
amendment of, restriction on recovery of damages on . . . . .	<i>ib.</i>
Controller, power of, to require amendment of specification or drawing ; appeal to Governor General in Council . . . . .	95

	Pages.
Indian Patents and Designs Act, 1911— <i>concl'd.</i>	
Patent— <i>concl'd.</i>	
<i>See also</i> Amendment.	
Controller, power of, to correct clerical errors in . . . . .	112
reference by Controller for inquiry and report on, before sealing of patent . . . . .	96
may contain more than one claim . . . . .	97
substitution of, for rights under Act V of 1888 . . . . .	117
term of . . . . .	98
Patent office . . . . .	111
appointment of officers and clerks of . . . . .	112
punishment for wrongful use of words "Patent office" . . . . .	116
Post, applications, notices, etc., may be sent by . . . . .	115
Proprietor of patent or design, rights and powers of . . . . .	97, 108
<i>See also</i> Registered proprietor	
Register—	
notice of trust not to be entered in . . . . .	112
of designs . . . . .	108
of patents . . . . .	100
entries of certain decrees and orders to be made in . . . . .	105
grant of certified copies of extracts . . . . .	112
to be open to inspection of public . . . . .	<i>ib.</i>
correction of clerical errors in, power of Controller to make . . . . .	113
entry of assignments and transmissions in . . . . .	<i>ib.</i>
rectification of, by order of High Court . . . . .	<i>ib.</i>
Registered proprietor of patent or design, rights and powers of . . . . .	<i>ib.</i>
Rules . . . . .	116
Signature—	
and verification . . . . .	115
when may be done by agent . . . . .	<i>ib.</i>
power of Controller to require personal . . . . .	116
Trust— <i>see</i> Register <i>above.</i>	
Indian Penal Code—	
Section 40 amended . . . . .	473
Chapter VA inserted . . . . .	<i>ib.</i>
Section 75 substituted . . . . .	18
Indian Ports Act, 1908, section 6, sub-section (1), new clause substituted for clause (p) . . . . .	128
Indian Ports (Amendment) Act, 1911 . . . . .	<i>ib.</i>
Indian Post Office Act, 1898—	
Section 21, new sub-sections (1) and (2), substituted . . . . .	218
Sections 23, 24, 25, 26, 35 and 48 amended . . . . .	218, 219
Indian Press Act, 1910 . . . . .	2
Barring of jurisdiction . . . . .	9
Books and documents—	
detention of, by customs officer in certain cases . . . . .	7
detention by postal authorities of parcels containing, in certain cases . . . . .	<i>ib.</i>
forfeiture of, in certain cases . . . . .	6

	Pages
<b>Indian Press Act, 1910—<i>contd.</i></b>	
Definitions . . . . .	2, 3 and 4
Evidence, special rules of . . . . .	8, 9
Newspapers—	
copies of, printed in British India to be delivered gratis to Government . . . . .	8
detention by postal authority of parcel containing, in certain cases . . . . .	7
detention of, by customs officers in certain cases . . . . .	<i>ib.</i>
forfeiture of copies of, in certain cases . . . . .	3, 4, 5
publisher of, security to be deposited by . . . . .	5
further security . . . . .	6
forfeiture of security . . . . .	<i>ib.</i>
transmission by post of, prohibited in certain cases . . . . .	7
Penalties . . . . .	9
<b>Press and Registration of Books Act, 1867—</b>	
annulment of declaration made under section 4 or section 5 of, in certain cases . . . . .	4, 6
<b>Printing press—</b>	
keeper of, security to be deposited by . . . . .	3
further security . . . . .	4
forfeiture of security . . . . .	3, 4
Return of security in certain cases . . . . .	9
Search warrants . . . . .	5, 6
Service of notices . . . . .	9
Setting aside of order of forfeiture, hearing before Special Bench of High Court; procedure . . . . .	8, 9
<b>Indian Registration Act, 1908, saving of provisions of . . . . .</b>	303, 332
<b>Indian Short Titles Act, 1897, so much of section 2 and schedule as relates to Act V of 1875 repealed . . . . .</b>	171
<b>Indian Succession Act, 1865—</b>	
sections 280, 281 not to affect validity of certain payments . . . . .	230
not to supersede or affect rights of Administrator General . . . . .	<i>ib.</i>
not to affect powers of police in presidency-towns in certain cases . . . . .	<i>ib.</i>
<b>Indian Stamp Act, 1899—</b>	
Schedule I, Article No. 13, new clause ( <i>b</i> ), substituted . . . . .	203
Section 23A, sub-section ( <i>1</i> ), amended . . . . .	<i>ib.</i>
Section 8 ( <i>1</i> ) amended . . . . .	21
Schedule I, Article 5, substituted . . . . .	<i>ib.</i>
Schedule I, Article 27, substituted . . . . .	22
Schedule I, Article 43, substituted . . . . .	<i>ib.</i>
Schedule I, Article 59, amended . . . . .	23
Schedule I, Article 62, amended . . . . .	<i>ib.</i>
<b>Indian Stamp (Amendment) Act, 1910, Schedule I, clause (<i>b</i>), substituted . . . . .</b>	203
<b>Indian Stamp (Amendment) Act, 1910 . . . . .</b>	21
<b>Indian Stamp (Amendment) Act, 1912 . . . . .</b>	203
<b>Indian Tariff Act, 1894—</b>	
Schedule III, new item No. 5, substituted . . . . .	131
Schedule III substituted . . . . .	24
Schedule IV, Article 11, amended . . . . .	<i>ib.</i>

	Pages
Indian Tariff Act, 1894— <i>contd.</i>	
Schedule IV, Article 15, amended . . . . .	25
Schedule IV, Article 16, amended . . . . .	<i>ib.</i>
Indian Tariff (Amendment) Act, 1906, repealed . . . . .	<i>ib.</i>
Indian Tariff (Amendment) Act, 1908, repealed . . . . .	<i>ib.</i>
Indian Tariff (Amendment) Act, 1910 . . . . .	24
Indian Telegraph Act, 1885, meaning of "local authority" in, extended . . . . .	79
Indian Tramways Act, 1886—	
Section 3—	
new clause substituted for clause (5) . . . . .	130
clause (9) amended . . . . .	<i>ib.</i>
Section 7, sub-section (2)—	
new clause substituted for clause (c) . . . . .	<i>ib.</i>
clause (m) amended . . . . .	<i>ib.</i>
Section 24, sub-section (1), clause (c), amended . . . . .	<i>ib.</i>
Section 44 amended . . . . .	<i>ib.</i>
Indian Tramways (Amendment) Act, 1911 . . . . .	129
Indian Trusts Act, 1882—	
Saving of provisions of . . . . .	302
not to affect section 22 of Act II of 1913 . . . . .	305
Indian Universities Act, 1909, section 6, sub-section (2), proviso added to . . . . .	175
Indian Universities (Amendment) Act, 1911 . . . . .	<i>ib.</i>
Indian Volunteers Act, 1869, section 30 added . . . . .	1
Indian Volunteers (Amendment) Act, 1909 . . . . .	<i>ib.</i>
Infant— <i>see</i> Indian Patents and Designs Act, 1911.	
Infringement— <i>see</i> Indian Patents and Designs Act, 1911.	
Inquisition— <i>see</i> Indian Lunacy Act, 1912.	
Inspector(s)— <i>see</i> Indian Life Assurance Companies Act, 1912; <i>Dourine Act</i> , 1910; Indian Electricity Act, 1910; Indian Companies Act, 1913; Indian Factories Act, 1911.	
Insurance Companies— <i>see</i> Indian Companies Act, 1913.	
Interest— <i>see</i> Indian Companies Act, 1913.	
payment of, out of capital— <i>see</i> Company.	
Intoxicating drugs— <i>see</i> Cantonments Act, 1910.	
Invention— <i>see</i> Indian Patents and Designs Act, 1911.	
Invention and Designs Act, 1888—	
repealed : continuance of proceedings under . . . . .	117
substitution of patent for right under . . . . .	<i>ib.</i>
Joint Stock Companies— <i>see</i> Indian Companies Act, 1913.	
Judge Advocate General— <i>see</i> Indian Army Act, 1911.	
Judicial Commissioner— <i>see</i> Central Provinces.	
Land Acquisition Act, 1894—	
The term "work" in sections 40 (1) (b) and 41 (b) in, to be deemed to include electrical energy supplied or to be supplied by means of the work to be constructed . . . . .	58
The term "public revenue" in section 6 of, to include cantonment fund . . . . .	84
Land-owners— <i>see</i> Criminal Tribes Act, 1911.	
Licence— <i>see</i> Indian Electricity Act, 1910.	

	Pages.
Liquidators— <i>see</i> Indian Companies Act, 1913.	
Local Authority— <i>see</i> Cantonments Act, 1910 ; Indian Electricity Act, 1910.	
Local Authorities (Emergency) Loans Act, 1897, sections 2 (1), 3 (1) and (2) and 4 amended . . . . .	292
Local Authorities Loan Act, 1879, meaning of "local authority" in, extended . . . . .	79
Lunacy (District Courts) Act, 1858, repealed . . . . .	254
Lunacy (Supreme Courts) Act, 1858, repealed . . . . .	<i>ib.</i>
Lunatic— <i>see</i> Indian Lunacy Act, 1912 ; Indian Patents and Designs Act, 1911.	
Maintenance— <i>see</i> Indian Lunacy Act, 1912.	
Marriage ceremony among Sikhs called Anand Validated . . . . .	2
Matches— <i>see</i> White Phosphorus Matches Prohibition Act, 1913.	
Memorandum of Association— <i>see</i> Indian Companies Act, 1913.	
Military Lunatics Act, 1877 - . . . . .	
repealed . . . . .	254
Military men— <i>see</i> Administrator General's Act, 1913.	
Model— <i>see</i> Indian Patents and Designs Act, 1911.	
Mortgage or charge— <i>see</i> Indian Companies Act, 1913.	
Motor Vehicles International Circulation Act, 1912 . . . . .	292
Definition of "motor vehicle" . . . . .	<i>ib.</i>
Exclusion of other laws . . . . .	<i>ib.</i>
Rules . . . . .	<i>ib.</i>
Museum— <i>see</i> Indian Museum Act, 1910 ; Indian Patents and Designs Act, 1911.	
Mushniman Wakf Validating Act, 1913— . . . . .	
Definitions . . . . .	334
Power to create certain wakfs . . . . .	335
Validity of certain wakfs . . . . .	<i>ib.</i>
Saving of local and sectarian customs . . . . .	<i>ib.</i>
Native Christian Administration of Estates Act, 1901, repealed in part . . . . .	333
Newspaper— <i>see</i> Indian Press Act, 1910.	
Notice of suit— <i>see</i> Administrator General's Act, 1913 ; Official Trustees Act, 1913.	
Notice of trust— <i>see</i> Administrator General's Act, 1913 ; Official Trustees Act, 1913.	
Oath— <i>see</i> Indian Army Act, 1911.	
Official Trustee— <i>see</i> Administrator General's Act, 1913 ; Official Trustees Act, 1913.	
Official Trustees Act, 1864, repealed . . . . .	309
Official Trustees Act, 1913— . . . . .	
Accounts and audit— <i>see</i> Official Trustee.	
Company— . . . . .	
entry of name of Official Trustee on register of . . . . .	303
Fees . . . . .	304
disposal of . . . . .	<i>ib.</i>
Government— . . . . .	
liability of, for acts of Official Trustee . . . . .	303
transfer of accumulations to credit of, . . . . .	305
proceeding by claimant to recover money transferred to credit of, . . . . .	306

	Pages.
Official Trustees Act, 1913— <i>contd.</i>	
High Courts—	
extent of jurisdiction of . . . . .	300
power of, to make orders regarding trust property vested in Official Trustee . . . . .	306
Interpretation . . . . .	299
Notice of trust —	
entry of name of Official Trustee not to be . . . . .	303
Notice of suit against Official Trustee not required in certain cases . . . . .	304
Official Trustee —	
accounts and audit, powers of auditors . . . . .	304-305
cost of audit . . . . .	305
inspection of accounts and audit report . . . . .	<i>ib.</i>
appointment, designation and qualifications . . . . .	300
appointment of, as trustee of settlement : vesting . . . . .	301
as trustee by will : vesting . . . . .	302
by High Court : vesting . . . . .	<i>ib.</i>
by private trustees to be trustee of property : vesting . . . . .	<i>ib.</i>
bond or security not to be required from, . . . . .	303
capacities in which he may act . . . . .	301
cases in which he may not act . . . . .	<i>ib.</i>
deputy, appointment and powers of, . . . . .	<i>ib.</i>
powers and duties of, general . . . . .	<i>ib.</i>
powers of administration, general . . . . .	306
sole trustee, must be . . . . .	301
status of, as corporation sole . . . . .	<i>ib.</i>
transfer of interest of infants or lunatics to : vesting . . . . .	303
transfer of trust property by . . . . .	306
verification of petitions by . . . . .	303
Power to apply under Act . . . . .	306
Presidencies—	
power to divide into provinces ; consequences of division . . . . .	307
Rules . . . . .	309
Parson— <i>see</i> Indian Army Act, 1911.	
Patent— <i>see</i> Indian Patents and Designs Act, 1911.	
Patent office— <i>see</i> Indian Patents and Designs Act, 1911.	
Pensions— <i>see</i> Indian Lunacy Act, 1912.	
Phosphorus— <i>see</i> White Phosphorus Matches Prohibition Act, 1913.	
Police— <i>see</i> Cantonments Act, 1910 ; Indian Lunacy Act, 1912.	
Post— <i>see</i> Indian Patents and Designs Act, 1911.	
Postal Authority— <i>see</i> Indian Press Act, 1910.	
Press and Registration of Books Act, 1867— <i>see</i> Indian Press Act, 1910.	
Presidency Small Cause Courts Act, 1882 . . . . .	
Section 41 amended . . . . .	294
Presidency-town— <i>see</i> Cantonments Act, 1910.	
Presidencies— <i>see</i> Administrator General's Act, 1913 ; Official Trustees Act, 1913.	
Prevention of Seditious Meetings Act, 1907—	
repealed . . . . .	175



	Pages.
Prevention of Seditious Meetings Act, 1911 . . . . .	173
Cognizance of offences under . . . . .	175
Extent and operation of Act . . . . .	173
Penalties . . . . .	174
Proclaimed area, notification of . . . . .	173
speeches in public places in, penalty for, in certain cases . . . . .	174
Public meeting, definition of . . . . .	173
notice of, to be given in proclaimed area . . . . .	174
power to prohibit in proclaimed area, in certain cases . . . . .	<i>ib.</i>
prohibited under section 5 deemed an unlawful assembly within the mean- ing of Act XLV of 1860 and Act V of 1898 . . . . .	<i>ib.</i>
report of, power to take . . . . .	<i>ib.</i>
Unlawful assembly— <i>see</i> Public meeting <i>above</i> .	
Printing Press— <i>see</i> Indian Press Act, 1910.	
Prisons Act, 1894, section 52 amended . . . . .	74
Prisons (Amendment) Act, 1910 . . . . .	<i>ib.</i>
Probate and Administration Act, 1890—	
repealed in part . . . . .	{ 309 333
Proclaimed area— <i>see</i> Prevention of Seditious Meetings Act, 1911.	
Provident Insurance Societies Act, 1912—	
not affected by Act VII of 1913. . . . .	438
Appeals . . . . .	{ 256 260
Application of Act not to extend to certain societies doing life assurance busi- ness . . . . .	257
Cancellation of registry— <i>see</i> Provident Insurance Society.	
Definitions . . . . .	256
Offences and procedure . . . . .	261
Power to grant exemption . . . . .	262
Provident Insurance Society—	
not to receive premiums or contributions from persons not having insurable interest . . . . .	257
register of members of . . . . .	258
registration of . . . . .	257
not to receive premiums and contributions unless registered . . . . .	258
cancellation of registry . . . . .	260
appointment of liquidators on; powers of liquidators, enforcement of orders . . . . .	<i>ib.</i>
rules of, to specify object, name and registered office and to provide for certain matters . . . . .	257
amendment of, to be registered . . . . .	258
copies of, to be given to members free of cost . . . . .	<i>ib.</i>
office of . . . . .	<i>ib.</i>
publishing authorized capital must also publish amounts subscribed and paid up . . . . .	<i>ib.</i>
balance-sheet and revenue account . . . . .	259
audit of . . . . .	<i>ib.</i>
delivery of, to registrar . . . . .	<i>ib.</i>

	Pages.
<b>Provident Insurance Societies Act, 1912—<i>contd.</i></b>	
<b>Provident Insurance Society—<i>contd.</i></b>	
books of, to be open to inspection by Registrar, his deputy or members . . . . .	259
record of insurance effected by, to be kept and delivered by registrar . . . . .	<i>ib.</i>
inquiry as to solvency of, or conduct of business . . . . .	<i>ib.</i>
Registrar to be appointed by Local Government . . . . .	257
<i>See also</i> Provident Insurance Society.	
Rules . . . . .	261
Saving of existing policies . . . . .	262
Prospectus— <i>see</i> Indian Companies Act, 1913.	
Provost-marshal— <i>see</i> Indian Army Act, 1911.	
Public examination— <i>see</i> Indian Companies Act, 1913.	
Public meeting— <i>see</i> Prevention of Seditious Meetings Act, 1907.	
Railways— <i>see</i> Indian Electricity Act, 1910.	
Register— <i>see</i> Criminal Tribes Act, 1911; Indian Patents and Designs Act, 1911.	
Registrar— <i>see</i> Co-operative Societies Act, 1912; Provident Insurance Societies Act, 1912.	
Registration of documents— <i>see</i> Cantonments Act, 1910.	
Reserve— <i>see</i> Indian Paper Currency Act, 1910.	
Receiver— <i>see</i> Indian Companies Act, 1913.	
Reception order— <i>see</i> Indian Lunacy Act, 1912.	
Reformatory Schools Act, 1897— <i>see</i> Criminal Tribes Act, 1911.	
Regimental Debts Act, 1893— <i>see</i> Administrator General's Act, 1913.	
Registrar— <i>see</i> Indian Companies Act, 1913.	
Repealing and Amending Act, 1891—	
so much of section 2 (2) and Schedule II as related to Indian Articles of War repealed . . . . .	171
Repealing and Amending Act, 1891—	
repealed in part . . . . .	{ 333, 438 472
Repealing and Amending Act, 1901—	
Schedule II, Part II, repealed . . . . .	73
Repealing and Amending Act, 1903—	
so much of Part II of the Second Schedule as relates to the Cantonments Act, 1889, repealed . . . . .	89
Sample— <i>see</i> Indian Patents and Designs Act, 1911.	
School— <i>see</i> Criminal Tribes Act, 1911.	
Sea Customs Act, 1878—	
section 18: clause (g) added . . . . .	333
Seal— <i>see</i> Indian Companies Act, 1913.	
Search warrant— <i>see</i> Indian Press Act, 1910.	
Seditious meetings— <i>see</i> Prevention of Seditious Meetings Act, 1907.	
Settlement— <i>see</i> Criminal Tribes Act, 1911.	
Shares— <i>see</i> Indian Companies Act, 1913.	
Societies Registration Act, 1860—	
sections 1 and 18, construction of "registrar of joint stock companies" in . . . . .	438
Special Bench— <i>see</i> Indian Press Act, 1910.	
Specification— <i>see</i> Indian Patents and Designs Act, 1911.	
Spirituous liquor— <i>see</i> Cantonments Act, 1910.	

	Pages.
Streets— <i>see</i> Indian Electricity Act, 1910.	
Stock— <i>see</i> Indian Companies Act, 1913.	
Supply of energy— <i>see</i> Indian Electricity Act, 1910.	
Supply lines— <i>see</i> Indian Electricity Act, 1910.	
Taxes— <i>see</i> Cantonments Act, 1910.	
Telegraph Authority— <i>see</i> Indian Electricity Act, 1910.	
Telegraph line— <i>see</i> Indian Electricity Act, 1910.	
Territorial Force. Members of, subject to Indian Volunteers Act, 1869, during attachment to Volunteers . . . . .	1
Testing and inspection— <i>see</i> Indian Electricity Act, 1910.	
Tramways— <i>see</i> Indian Electricity Act, 1910.	
Transfer of Property Act, 1882—	
Sections 54 (2), (3), 59, 107 and 123 to extend to all cantonments in British India . . . . .	88
Transfer of Property Act, 1882— <i>see</i> Cantonments Act, 1910.	
Trees— <i>see</i> Indian Electricity Act, 1910.	
Trust— <i>see</i> Administrator General's Act, 1913; Indian Companies Act, 1913; Official Trustees Act, 1913; Sir Currimbhoy Ebrahim Baronetcy Act, 1913; Indian Patents and Designs Act, 1911.	
Trustees and Mortgagees Powers Act, 1866—	
saving of provisions of . . . . .	302
Unattested Sepoys Act, 1875, repealed . . . . .	171
Universal currency note— <i>see</i> Indian Paper Currency Act, 1910.	
Unlawful assembly— <i>see</i> Prevention of Seditious Meetings Act, 1911.	
Veterinary practitioner— <i>see</i> Dourine Act, 1910.	
Village-officers— <i>see</i> Criminal Tribes Act, 1911.	
Visitors— <i>see</i> Indian Lunacy Act, 1912.	
Wakf— <i>see</i> Mussulman Wakf Validating Act, 1913.	
White Phosphorus Matches Prohibition Act, 1913—	
Amendment of Sea Customs Act, 1878, section 18 . . . . .	333
Inspector of Factories, power of, to take samples of materials used . . . . .	334
White phosphorus defined . . . . .	333
White phosphorus—	
prohibition of use of, in manufacture of matches . . . . .	ib.
White phosphorus matches—	
prohibition of sale of . . . . .	334
Winding up— <i>see</i> Indian Companies Act, 1913.	
Wild Birds and Animals Protection Act, 1912 . . . . .	289
Animals and birds to which Act applies, power to include others . . . . .	ib.
Close time . . . . .	290
Offences and penalties: confiscation . . . . .	ib.
Power to grant exemptions . . . . .	ib.
Repeal of Act XX of 1887 . . . . .	ib.
Savings . . . . .	ib.
Wild Birds Protection Act, 1887—	
repealed . . . . .	290
Witness— <i>see</i> Indian Army Act, 1911.	
Women— <i>see</i> Indian Factor as Act, 1911.	
Works— <i>see</i> Indian Electricity Act, 1910.	





